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Cuba

Raul Castro Announces 4th PCC Congress in 1991

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[Speech by Army General Raul Castro, second secretary of the Communist Party of Cuba, PCC, in Santiago de Cuba at the site of the old Moncada Barracks—live]

[Text] People of Santiago de Cuba, comrades from throughout the country:

As you know, the special plenum of the Central Committee of the Communist Party of Cuba, PCC, held on 16 February, agreed that today, 15 March, on the occasion of the 112th anniversary of the Baragua protest, the announcement calling the Fourth PCC Congress would be made. In the absence of Comrade Fidel, I have been given the mission of reading the text of the announcement. Comrade Esteban Lazo, first secretary of the PCC in Havana Province, is also not present here today. [applause] He is in Brazil as part of the Cuban delegation presided over by Fidel. The two of them would have liked to accompany us at this moment. They are here in spirit, just as each one of us is with them in the undoubtedly historic task they are fulfilling.

The announcement calling our fourth congress is made here because of the decision to hold the event in this heroic city of Santiago de Cuba. [applause] The announcement's content and projections also reflect everything that Antonio Maceo's protest represents on this immortal day in our fatherland's history, to which we pay tribute, and we note that the beloved scene of Los Mangos de Baragua is one of the sacred corners of this province. We also selected this site of the old Moncada fortress because this way, each symbol unites and shares in the same history of rebellion and loyalty to the cause and to the word pledged to the people. It is thus with a great feeling of commitment that tonight we renew and, assisted by the legitimacy in which that direction leads us without faltering and with loyalty to the last breath to the liberating cause and to social justice—in which all our people are participating in today—I will now read the announcement calling the fourth congress of our party:

To the Fourth PCC Congress, the future of our fatherland will be an eternal Baragua. [applause; crowd chants] Compatriots: The PCC today addresses its members; the working class; the peasants; all manual workers and intellectuals; men and women from different social sectors, different organizations and institutions; our youths; all patriots and revolutionaries. The party calls for the preparation and holding of its fourth congress during the first half of 1991 in the heroic city of Santiago de Cuba. [applause]

In calling the most momentous meeting of the party and the country, we mark this historic date of 15 March, anniversary of the Baragua protest, with touching respect and pride.

Somber horizons spread before our fatherland 112 years ago. Ten years of glorious deeds for independence appeared to be destined to failure. The lack of unity among insurgent files, dictatorship, regionalism, and lack of discipline accomplished what the powerful enemy had not been able to achieve in the battlefields. Under those circumstances, the wail of the sirens of colonialist reforms were able to find a breach and make way for surrender. The fatigue of the long fight discouraged others. That was a tragic moment. The country was devastated, the revolutionary movement was in crisis, and the dream of seeing Cuba free was increasingly distant and uncertain.

These were the circumstances in which the Sanjon Pact came into our history, with a painful baggage of frustrations and as a signal that the incipient Cuban bourgeoisie had exhausted forever its revolutionary boldness. The honorable reply came then from the heart of the humble and combatant people. It enhanced the immortal gesture made by Antonio Maceo, champion of the peasant masses and former slaves who composed the liberating army with his blunt rejection of peace without independence and abolition of slavery.

This is how the Baragua protest came into our history and the spirit of Baragua was rooted in our political life—which has not stopped manifesting itself since as an expression of revolutionary intransigence, faithfulness to principles, and the determination to face and overcome the greatest adversities. Marti was able to write with great reason to the protagonist of that feat: Now I have before my eyes the Baragua protest, which is one of the most glorious things in our history.

The repercussions of Baragua were multiplied in the war cry of 24 February 1895. Its immortal lesson of confidence in victory was established in national life with the fight of the forerunners of socialism: of those who fought against Machado with the Moncada, with 30 November; the landing of the Granma; the assault against the Presidential Palace; and the struggle of the Rebel Army and the clandestine movement that led to the 1 January victory. They were multiplied after the revolutionary triumph in Giron and the October crisis, the struggle against the revolutionary bands, and the heroic internationalist missions in Angola and Ethiopia.

Encouragement is constantly renewed through the example of Baragua which has allowed us to resist and overcome in over 30 years of siege and attacks by Yankee imperialism. Today, imperialists are plotting a world-scale Sanjon. They believe they are contributing to a permanent and irreversible crisis of socialism. Blinded by their triumphalist intoxication, they calculate that Cuba, apparently alone and because of its proximity to the United States, will not be able to resist and will have to surrender. Of course, they are not limiting themselves to waiting. Confident in this new version of the fatalism of the ripe fruit, they are doing and will do everything in their power to push us into surrendering. They are watching for the smallest crack to throw themselves on

our fatherland and, thus, achieve one of their fondest imperialist dreams: to squash the Cuban revolution, to eliminate its example, and submit forever the people who dared to defy it.

This is the time to rise up and say as the Bronze Titan [Antonio Maceo] said in Baragua: No, we will not renounce revolution, socialism, Leninism, and internationalism. [applause; crowd chants] We will not renounce our work: the most humane, just, and honorable that has ever been effected on Cuban soil. We will never submit to the arrogance of Yankee imperialism nor make any concessions to obtain leniency or charity.

We will never betray our glorious dead, from the Demajagua to the present. [applause; man shouts: "Long live socialism!"; Crowd responds: "Viva!"; man shouts: "Long live Fidel!"; crowd responds: "Viva!"; man shouts: "Long live Raul!"; crowd responds:"Viva!"; man shouts: "(?31 years!)"; crowd responds: "And onward!"; man shouts: "Socialism!"; crowd responds: "Or death!"; man shouts: "Fatherland or death!"; crowd responds: "We will win!"]

You are right. Under no circumstance will we betray the brother peoples of Latin America or the struggle of the entire Third World for their right to peace and development. What the leaders and ideologues of imperialism think and do about our country, our society, and our system doesn't matter to us one bit. They completely lack the morality to judge socialism. Harlots cannot act or speak like vestal virgins. This is primarily what the Fourth PCC Congress should represent to the world—a Baragua based on the principles of the revolution, national independence, and socialism. [applause] [Crowd chants: "Thirty one years and onward! Socialism or death! Fatherland or death, we will win!"]

Our congress.... [interrupted by crowd chanting: "Viva! Viva! Socialism or death! Fatherland or death!"] Our congress will mark a new stage in the perfection of Cuban society and its democratic institutions, and in the strengthening of the rectification process. This will be its most important feature. The congress will assess what has been done since the skillful and farsighted critical analysis formulated at the third congress, and especially since the 19 April 1986 speech by Comrade Fidel. Based on this, we should proceed on the elaboration of an economic and social development model for the next few years. Despite the uncertainty that exits in foreign economic relations, we will continue developing the strategy and guidance methods needed for this period, and the definition of realistic goals for the material, social, and cultural well-being that our people can achieve, while considering the circumstances of the country and the world. Thus, we reaffirm the validity of our socialist program of social justice which is what permits the Cuban people, in a titanic struggle for development and against poverty, to be guaranteed the right to work, high levels of education, health, social security, basic food, and a dignified and decorous life.

To fulfill this process, we first count on our heroic working class, bastion par excellence of the revolution which, true to its traditions and history, is today the principal protagonist in the rectification process.

The working class has the will and strength to speed up changes in the country and become the solid political bulwark where confusion and weakness will never be able to gain ground. [applause] Peasants will be next to the working class with their firm and decisive contribution, and also the rest of the workers, including the country's large mass of professionals and technicians, the young students, and the combatants of the Revolutionary Armed Forces. All of our society's institutions will be there.

Our people should know in depth the nature of the problems the country is now facing and why there will be no spectacular responses to them. At the same time, the people need to know that we do have real solutions based on our resources, intelligence, and work. Only with more discipline, dedication, and efficiency, with the systematic and sustained effort of the entire country, will we be able to boost them.

The party, initiator and guiding body of the rectification process, is the one leading the changes and will never just stay behind them. The party sets the pace and order of the changes and decides them while in close and vital contact with the masses and considering the interrelation of all social structures, without permitting itself be confused or disconcerted, without falling into willfulness or relying in improvisation, and without ever yielding to any outside pressure.

Our only commitment is to the working people, to the goals of the revolution and socialism. [applause] All our efforts toward rectification and improvement of society are based on the ideas of Comrade Fidel that socialism is the science of winning the masses over for the development of the country; the science of creating, preserving, and developing the deepest relationship between the party and the masses; the science of leading with the right methods; the science of example.

The congress will see to how much of what has been accomplished in the last few years corresponds with the party program. We believe that in carrying out this assessment, in spite of the adverse turn of events experienced in the international situation, the congress will revitalize our program which essentially expresses the Cuban path toward socialism.

At the same time, it is unquestionable that these years of rectification have added new experiences and ideas. Some of them, because of their significance, have programatic value for the construction of socialism in Cuba. First, the rectification returned to our process the originality and creative force that were always present in the most valuable traits of the Cuban revolution. The rectification led us to assume the lead role of the revolutionary ideology which was left behind by the false idea of spontaneous efficiency of economic mechanisms and

stressed the main role played by the attention to man, to his material conditions of work and life.

Rectification reoriented the country's economic effort toward investments that generate true development. It gave us the solid philosophy of relying more and more on our own strength. It has been and it is a learning experience from which all of us have learned the enormous advantages that can be obtained from social property and the planning of the economy when they are used adequately and are joined with the search for formulas that adjust to our situation and idiosyncracies.

Even though, as Karl Marx said, socialist society sprouted from capitalist society after a long and painful process, we have proven that one cannot irresponsibly play with capitalist mechanisms and categories for false and deceiving solutions that only serve to compromise the revolution's long-range goals and enthrone deformations and vices. In a very short period, despite the severe external limitations we suffer, it has been demonstrated that it is not only possible to eliminate the negative tendencies, it is also possible to find new solutions for problems we accumulated. In some cases, we inherited past problems, while in other cases, the problems are the result of our own errors and insufficiencies.

The rectification process does not imply the return to stages that have already been overcome. On the contrary, it is an unprecedented creative moment, a superior stage with enthusiasm and projections for the future. The rectification process is also not a fleeting episode. It is an attitude, a method, a style that must be adopted in a systematic manner. It implies remaining faithful to principles and constantly and decisively renovating that which has fulfilled its role or exhausted all its possibilities. This is the way for a society which has eliminated class antagonism to advance.

Rectification should not be considered a group of isolated measures, no matter how good or successful they are. It should include elements aimed at an economic and social development strategy that essentially implies the creative application of Marxist-Leninist principles to the characteristics of our country. With this, we will develop a body of concepts that in turn translates into concrete and tangible results in terms of real projects.

A product of this process is the reestablishment of the food program which will be an extraordinary jump in the efficiency of our agricultural-livestock production and a solid support for our standards of living and defense. Essential to these plans are water resources management, economic and social development in the mountains, and the new technology that is revolutionizing rural areas to create, among other objectives, a sugarcane industry that is constantly more productive based on stable and high sugar harvests: a decisive element in animal feed and a promising development for the byproduct industry.

Without the rectification process, the revitalization and strengthening attained in a short time by the minibrigades would have been impossible. The minibrigades are a movement that favors the rational use of the surplus work force in the construction of apartments and other social projects.

The idea of organizing contingents is a legitimate child of the rectification process. This consists of strong groups of workers dedicated to an extraordinary effort in construction and other production areas which are capable of responding to the demands of this stage and being at the forefront in recovering lost time and accelerating the progress of the country based on a communist work spirit, formulas of socialist salary compensation in line with the work, and a special attention to man.

A consequence of rectification is the improvement of transportation in the capital and the rest of the country and other basic services based on the development of national industry. An undeniable fruit of this process is also the program to turn tourism into one of the most important ways to exploit our natural resources, a source of jobs, and the origin of freely convertible foreign exchange. Similarly, without the spirit of rectification we could not have imagined all that has been achieved in research and the rapid introduction into production of scientific and technical advances, or the speedy achievement of advanced technology; such as genetic engineering, biotechnology, and microelectronics, all of which open up for our country the possibility of starting new and promising activities; such as pharmaceutical, medical, and electronics industries.

The fourth congress will review what these past few years have meant in the organization and use of labor. We will make a critical assessment of what we have achieved: Deficiencies still exist in discipline, proper use of labor, productivity, quality of material production, services, costs, and rationality in the payrolls of officials, employees, and workers. With the humanism that has always marked us, we will have to wage an intelligent, serious struggle for trade, new ideas regarding salary scales, and full application of the socialist principle of retribution—so each worker can produce during the whole shift. This struggle will also aim at eliminating inefficiency, the squandering of human and material resources, and bureaucratism—all of which most justifiably irritate the working people.

Another fundamental aspect which the congress will have to consider carefully is the management and planning system of the economy, whose in-depth and critical examination will be necessary to expedite the search for a more efficient economic model for Cuban socialism at this stage. In the principles of management, we must find a realistic and practical means to channel the country's economy and forge, step by step, a better system for our needs. This system will be based on the socialist system of retribution and the communist devotion to work, the application of science and techniques, and the most efficient organization of production and services.

This will require a proper balance between centralization and decentralization of economic decisions and the

establishment of flexible formulas to place reserves at our disposal allowing us to quickly take advantage of new possibilities that will become available to our economy.

The interests of the nation as a whole must always prevail over any entrepreneurial or sectorial interests. One of the ways to achieve these objectives is to apply, in a group of enterprises, the practices applied with encouraging results on various bodies of the Revolutionary Armed Forces. In such bodies, the organization of production and services was the main integrating element in defining the specific responsibilities of workers, technicians, and managers and placing the work emphasis on the executive leadership level. There was also profound political and ideological work within the heart of those labor groups as a basis for improving discipline and establishing adequate assistance for the citizens.

A more efficient organization of the labor force in sugarcane and nonsugarcane agriculture will require special attention based on vanguard experience.

The fourth congress will provide continuity to the encouraging results of the rectification process in the economic and social areas and will link us with new specific steps to perfect the party's actions, the state, and all other elements that intervene in the resolution's institutional system.

Our Communist Party, which is the basis of society's political organization, has great opportunities for perfecting itself to take on more than ever the historic duties before it. We will take advantage of the congress' preparatory work to begin a profound analysis of the structures, methods, and work style applied by the party.

The party must carry out a qualitative development that safeguards the wealth of experiences characteristic of our revolution, such as the principle of consulting with the masses on the decision of its new members. We must also set aside all vestiges of bureaucratic and formalistic procedures, eliminate formulas which are alien and inclined toward deformations, do away with systems that have been superseded by events, and allow changes that provide solutions to new demands. Our party must increasingly become the flesh and blood of the working people to whom it belongs and will always share with them its life, efforts, and needs. The party will never tolerate corruption and privileges, and it will develop increasingly democratic methods and styles. The party will always find its authority in dialogue with the people, in its capacity for persuasion, in putting words into action, in the systematic and self-criticizing analysis of its own work, and in the activists' and cadres' example of dedication and sacrifice. The PCC is, at this hour and always, the party of the revolution, the party of socialism, and the party of the Cuban nation. [applause; crowd shouts]

The party personifies the ideals of justice and liberty for which the patriots and revolutionaries of all times have fought; the guarantee of our socialist cause's continuity; and the people's revolutionary humility, which is the bulwark of their resistance against the harassment of U.S. imperialism. Our unique, pro-Marti, and Marxist-Leninist party assumes great responsibilities before society. [applause] The party exists and works for the people, and this must be reflected every day in its methods, policy, and procedures for admission; the mechanisms of balance and elections; and the methods of organizing political and ideological work.

The party acts with the masses' methods and it is permanently in contact with the masses. The party does not only work with its activists; instead, it heeds, listens, and maintains contact with all honest citizens, patriots, and different currents of opinion within the revolution in a constant effort to increase to a maximum the forces participating in the socialist construction.

To promote those objectives the party must be a conscientious and consistent struggler within society against the remnants of inequality and discrimination because of sex, race, or any other kind that may exist, however subtle it may be. Among other things, this presupposes a sincere communication with social strata and sectors which have specific interests, including the believers in various religious creeds who share our life and have adopted our agenda of social justice and development even if they are different from us in some ideological aspects.

The certainty that we count on the overwhelming support of the people relieves us of the need to seek a false unanimity. It is many times false, mechanical, and formalist, and may lead to pretense, double moral standards, or the silencing of opinions. It indicates to us that we need to promote, instead, a consensus that must be based on the recognition that the people may have diverse opinions on a single matter at a given time and that it must be strengthened through democratic discussions within the party and the revolution, particularly in the search for solutions, in the review of variants for attaining our socioeconomic objectives, and in the thoughts which are aimed at improving the society in which we live.

The improvement of our party involves not only the oganization and leadership. It is especially important to do away with every manifestation of dogmatism, with the mechanical transfer of other experiences in political-ideological work, to continue to definitively push away from other formalisms, rituals, and other manifestations that deprive it of authenticity and influence.

The creative tradition of Cuban revolutionary thought—which comes from the depths of our history—is specifically characterized by the blending of the progressive spirit of our Cuban identity with the latest advances in culture and politics in the world. It merges patriotism with internationalism and our national identity with a deep Latin American and universal calling. This is a great historical advantage on which we can lean today. If,

during previous years, for some given reason we relegated the task of synthesizing the theoretical foundations of our path to socialism and of giving the contributions of our process to the universal theory of Marx, Engels, and Lenin in a fitting place, we must give it a vigorous impetus now

Our social sciences and humanities—weakened in the past by a lack of authentic scientific debate and by our propensity toward copying and repeating alleged truths established by others—are being called upon to strongly reemerge and make felt their role in research, knowledge, and the transformation of our social realities.

The basic reason for being of this development is established by the complexity and the scope of the transformations we have set out to accomplish, which require the clarification of many questions and secrets.

The study of Cuban and American history is a vital and essential condition for fostering genuinely revolutionary thought. In this history, more than merely academic conclusions, or even important elements of political culture, we will find the legitimacy of our cause and the foundation of the convictions upon which our political and moral practices are based.

A decisive measure of the efficiency of our ideological work will depend on the young revolution's, pardon me, the younger generations' preparedness to take charge of their responsibilities and to answer the following questions within themselves in a consistent manner: Who are we? Where do we come from? Who are our creditors? What heritage must we make ourselves worthy of? What should our contribution be?

The work done and the examples set by Jose Marti are an insurpassable source for our present and future struggles. Marti foresaw the economic and political phenomenon of U.S. neocolonial expansionism. He anticipated that that country's imperialist system was our true enemy and he designed a strategy and tactics based upon national unity in the form of a single party and continental solidarity, with which, in his time and in ours, we could confront that enemy.

Marti's legacy to us, the ethics of a militant and political leader, will always be a source of inspiration to us in our revolutionary practice.

It will be the fundamental task of our social sciences to simultaneously study the experience of building socialism in Cuba, for which it is imperative and necessary to systematize the ideas put forth by Che Ernesto Guevara and Fidel.

A legion of teachers, professors, doctors, engineers, economists, jurists, technicians, and scientific researchers, the great majority of whom were formed by the revolution, today comprise the ranks of the intellectual workers who are playing a growing and decisive role in every sphere of our economic and social development.

In the same vein, art and literary intellectuals also play an especially important role in the transformation of society's spiritual life. The wise policy established by the revolution's leadership sheltered us very early from the danger of dogmas and schemes.

Cuban writers and artists are profoundly committed to the objective of perfecting society, strengthening the people's historic awareness, consolidating ethical values, and defending national culture and socialism.

The party is confident they will not be remiss in this patriotic call that touches the most intimate fabric of our Cuban identity. By promoting a favorable atmosphere for the development of creative thinking and fertile debate, we must contribute toward displaying the enormous changes and potential of our culture in the face of imperialism's cultural aggression.

The professionals of information have also gained our trust. Their task of carrying forward the responsibility and firmness of the mission assigned to our press is indispensible. There is a need to continue promoting an atmosphere of openness that reflects the wealth of social thought and promotes the awareness and participation of the people on all fronts of the revolution. The fourth congress and the path it will open are calling into practice a more profound, analytical, and critical journalism that is capable of moving us to do better things day after day.

As the party undergoes an internal process to perfect itself, it will undergo the necessary reviews of the operation of our socialist democracy, the areas covered by the actions of state institutions, government, and administration; and also the work, structure, and style of Communist youths, the masses and social organizations. This will be done in close association with leaders, cadres, elected representatives, and workers in those institutions, and the masses themselves.

The work of the people's government, from the rank and file to the National Assembly, demands a reflection upon all of the positive achievements attained by these bodies since 1976 that will simultaneously free them from formalities and other inadequacies.

The efforts to perfect the structures and methods of the people's government will allow us to strengthen even more the people's control over the government's activity and meet the population's needs in a more convincing and efficient manner.

This should translate into greater authority for rank and file delegates to help ensure that municipal and provincial assemblies will be able to fulfill their true role as representatives of the top state authority at those levels.

Referring to the National Assembly, which represents the voters' will and interests and is the supreme organization of the state's power, it must perfect the preparation of its sessions; give priority to legislative work and the handling of essential issues concerning our social and

economic development; control in a more overall and realistic way the activites of organizations and agencies which have an obligation to account for their actions; and particularly, examine the most pressing problems in the country from a different perspective which should be advocated by the work commissions and the individual experience of the deputies—while simultaneously being the forum which supports the actions of the government and each organization within the administration.

The work to achieve institutional perfection must especially emphasize the cadres' policy. An analysis of the severe criticism of the issue during the third congress leads us to a self-criticizing conclusion that we have yet to fully achieve the goal. It is a complex problem because it does not only involve the need for movement and promotions, but also for making this policy function as a coherent system. Our party, from the very creation of the commission organizing this congress, emphasizes its unequivocal willingness to work in depth, without extremism or haste, and with a high degree of watchfulness, to prevent any phenomenon of opportunism or demagoguery, fully enforcing the cadres' policy and eliminating every symptom of immobility or paralysis which might appear in our revolutionary institutions.

The bulk of the cadres lies in the people. The forge of the people lies in working and struggling. Cadres must be promoted from among the most outstanding representatives of the working masses, the rank and file combatants, and the creative intellectuals. We must select cadres from among the leaders of the masses and those of the middle groups, who emerged from the battle for economic and social improvement; who distinguished themselves in the ideological and political struggle, in the defense of the homeland, and the fulfillment of internationalist military and civilian missions. An essential premise is the need for continuity and renovation to be simultaneously guaranteed at each leadership level on the exclusive basis of merit and capacity.

This will promote whenever possible a simultaneous action by the three generations which are today the protagonists of the revolution—the historic generation, whose authority stems from its sacrifice and maturity; the intermediate generation, with the backing of the role it played in the consolidation and development of socialism; and the young generation, with its vitality, impetus, intellectual development, and spirit of renovation which today guarantees the revolution's present and future. All of them are characterized by their loyalty to the fatherland, socialism, and internationalism.

This is not only an act of justice or a search for a method that will permit the natural replacement of our cadres. This involves, above all, the profound need for the ethics, the spirit, and experience of the revolution in finding continuity and development. Constant consultation, the exchanging of views, and an active and real participation of the workers and the people must characterize the work that is now beginning to allow the preparatory process of the congress, and the event itself, to be an expression of our socialist democracy.

By making the call for the preparation of the fourth congress, we are not making any promises or promoting false expectations. We are calling on you to work hard, to close ranks, and to stick to the unflinching line that has allowed us to reach this point. It will not be an easy path. We are facing enormous obstacles and the country must be prepared for years that may be even more difficult. However, the people must know, at the same time, that there are solutions to the current economic problems. There is a clear strategy for moving ahead. Our party has a firm grip on the helm. We are united and well armed. Nothing can discourage us and we will have a sure response for today's efforts, above all to the extent that we are worthy at this outstanding time of the revolution. [applause]

On the occasion of the 112th anniversary of the Baragua protest, we evoke another crucial juncture of our historic process in the wake of the failure of the April 1958 strike when the tyranny, encouraged by this heavy setback, thought that the time had come for the final attack on the First Front in the Sierra Maestra and decided to launch an offensive, which turned out to be the largest of the entire war, to definitely crush the revolution.

The rebel army's leadership did not lose its cool in those moments of profound tension and danger; it remained serene, with creativity, audacity, a profound awareness of it's strength, morals, and just cause. It was prepared to resist and reject the enemy and to begin a revolutionary counteroffensive later on.

An opponent leader, in a gentlemanlike gesture, addressed the rebel army's general command to ask it to surrender to prevent what he considered to be a futile sacrifice. The commander in chief responded that there could only be negotiations after the upcoming fight, that he did not feel distressed regarding the fate of the rebel combatants [applause], and that he did not feel distressed, I repeat, regarding the rebel combatants because if it was their fate to fall, they would set such an example of courage that even the sons of the tyranny's soldiers would one day kneel with respect in front of the summits of the Sierra Maestra. [applause]

The untamable spirit of Baragua had one of its highest expressions then. Although virtually cordoned off, the rebel army managed to overcome the overwhelming disadvantage of resources and forces through the strategic concentration of rebel forces that the enemy thought had been dispersed, field fortification, collection of refugees, collection of food, improvement of communications, and the application of defensive, firm, active, and flexible tactics.

Although at the beginning of the offensive the tyranny had 100 soldiers for each rebel combatant and no less than 30 to one at the end of it, we inflicted a crushing defeat. As Che Guevara said, the Batista army's backbone was broken. [crowd mumbles]

Today, as we call the fourth congress, the world situation is placing us at a juncture similar to the one of those decisive and glorious days. The enemy, more than ever, is trying to turn us into a besieged fortress.

We are now a united people; we have a vanguard party; we have achieved results that make us proud; we have acquired experience throughout more than three decades, and we are not alone because we have earned a place of respect and admiration in the world and have the solidarity of the people and revolutionaries. [applause] We never sought such an honor or such an enormous responsibility, but we are undoubtedly facing the most important moment in Cuba's history. The country's independence and the very existence of the Cuban nationality—our modest but indomitable presence, a bulwark of Latin America's sovereignty, and the Third World countries' right to their most vital demands—depends on the everlasting nature and progress of our revolution in the overall struggle which now lies ahead for the destiny of socialism and the enforcement of communist ideas. The euphoria of capitalism will vanish before too long because that system is incapable of solving any of the terrible problems that it has created for mankind. [applause; crowd shouts]

We trust the revolutionary people, the millions of honest and progressive people, and the communist and anti-imperialist activists all over the world. We trust that unity, solidarity, and fraternity will prevail among the people. The history that the heroic Soviet people wrote for mankind cannot be erased. [applause] They cleared the path toward socialism and defended it with rivers of blood, changed the correlation of international forces, and carried out the feat of achieving a strategic parity that prevented a new distribution of the world. Our infinite respect and gratitude goes to them for their cooperation with Cuba and for what those people gave to mankind by following in Lenin's steps. [applause]

Socialism is currently suffering its harshest upset, as did the tyranny when the strike of April 1958 failed. Yankee imperialism, which considers itself the only superpower in the world, believes that the time will soon be right for it to unleash what it supposes will be the final attack on the Cuban revolution. The enemy is dangerously deceiving itself in its triumphant drunkenness.

With immutable and calm firmness, we will reject any hostility and pressures aimed at dominating us. If the time comes, we will return blow for blow. [applause]

There will be no vulnerable opening or target to create a fifth column. The counterrevolutionaries and the antisocial elements in their flimsy spots must be warned that to serve at this hour as the laughing stocks of imperialism is equal to becoming the greatest traitors in Cuban history. The law and the people will consider them as such. [applause]

To prepare in depth for the tests that may be approaching is currently our most important task. We will strengthen the doctrine of war by all of the people without dismay and we will tie it in with development efforts, such as those already under way in our mountainous regions. Our Revolutionary Armed Forces will continue to strengthen themselves in every area. The Interior Ministry will continue its restructuring and strengthening process in honor of security and social order. If the economic difficulties deriving from the international situation become even worse, the enemy will still find us prepared to confront any change, including the need to establish a special period in peacetime.

Even under circumstances such as these, we should be able to maintain our educational and health standards and continue giving priority to development-oriented programs, the production of exportable funds, and our people's nourishment.

The moment requires us to strengthen the strategic unity of all forces and sectors around the party and Fidel.

We must together close ranks with the free, revolutionary, socialist, and internationalist fatherland, [applause; crowd chants] to show that we are a people who have Maceo's and Baragua's lineage. Our party, as a true follower of Jose Marti's revolutionary party, represents today the idea of a broad national unity in the face of a powerful adversary. Marti said our enemy follows a plan to gore, separate, divide, and choke us. That is why we follow another plan: to teach ourselves with dignity, to remain together, to stay together, to fool them, and make our country free, pitting one plan against the other, the teacher said. [applause]

Leading the revolution, we have Fidel's great experience and guidance. [applause] It is no accident that all of the enemy's propaganda is focused on him. In these difficult times, Fidel thinks profoundly and is clearly cautious about the dangers ahead and about our fatherland's sure course. His creative preaching, his tenacious effort in guiding and organizing, his methods and style of work, and his permanent dialogue with the people will lead us to the path ahead. [applause; crowd chants]

The prospects that our party offers our people today are not catastrophic or pessimistic. To avoid war by making the aggressor pay an unpayable price is the equivalent of winning it. To prepare ourselves for adverse situations means preserving the country's life, whatever happens. It is true that this means effort and sacrifice, but what we do for our liberty and for the right to continue the battle for the well-being, happiness, and the full life of all Cubans will never be too much. Generations of fighters have fought and died for this. Socialism triumphed and set itself definitively on this land for this. [applause] With serene optimism we shall march to our Congress, a Communist people and its vanguard party! Together with one heart the people will make the will to exist, to win, and to develop always prevail! [applause]

The future of our fatherland will be an eternal Baragua! Socialism [crowd chants:"Or death!"] Fatherland or death. [crowd chants: "We shall win!"]

Attends Anniversary Parade

FL1503211790

[Editorial Report] Havana Domestic Radio and Television Services in Spanish at 1400 GMT on 15 March begin live coverage of a military parade in Santiago de Cuba commemorating the 102d anniversary of Antonio Maceo's actions in Baragua.

At 1400 GMT, the opening shot shows Raul Castro and other representatives of the government entering the reviewing stand. The video shows the troops coming into formation, drawing to attention, and saluting Colonel Enrique Alvarez Valdes, head of the Army General Staff for Santiago de Cuba Municipality, and reviewing official Colonel Orestes Piloto Suarez. The camera pans the officials, crowds, billboards, and troops.

At 1404 GMT, music is played; and then, two unidentified woman members of the Jose Marti Pioneers Organization speak. They refer to the importance of the date and announce the winner of the Baragua protest contest. They emphasize the Fidel Castro slogan: "The Future of Our Country Will be an Eternal Baragua."

At 1410 GMT, (Mariano Manos Gonzalez), first secretary of the Union of Young Communists in Santiago de Cuba Municipality, speaks on the meaning of Fidel Castro's slogan by saying that "young people will continue the tradition of historic struggle at this important time, through study, work, defense tasks; and will resist imperialist attacks." These remarks lead the crowd to cheers.

At 1415 GMT, the video shows Francisco Garcia Ferrer, alternate member of the Central Committee of the Communist Party of Cuba, and party first secretary in Holquin Province, speaking on the historic importance of rebellion embodied in the Baragua protest. In his speech he provides the background of the fight for independence from Spain citing examples of the spirit of Baragua on other occasions—imperialist attacks and historic battles.

At 1438 GMT, the cameras show the reviewing stand saluting as the national anthem is played, followed by a gun salute.

At 1440 GMT, the parade begins and the video shows the troops carrying the flag as they file past the reviewing area. The camera shows the troops from the Revolution Armed Forces schools, border brigade, 1370th military unit based in Baragua, Ministry of Interior combatants, 2731st military unit, Territorial Troops Militia women's and men's groups, Eastern Army band, and Mambi cavalry unit with 102 horsemen.

Coverage of the parade concludes at 1450 GMT.

More on Fidel Castro Brazilian TV Interview

FL1503153890 Havana Tele Rebelde Network in Spanish 1200 GMT 15 Mar 90

[Text] Fidel Castro, president of the Cuban Councils of State and Ministers, denied that Cuba is isolated, since it has close relations in the Third World, especially with Latin American countries. In an interview granted last night on his arrival in Brasilia, the capital of Brazil, the leader of the Cuban revolution also discussed the friendship between Brazil and Cuba and the negative nature of U.S. actions with respect to Latin America, among other prominent topics. He stated that today Cuba has closer and more numerous ties with Asia, Africa, and Latin America than at previous times, which motivated his rejection of the opinion that today his country is isolated. He also said that Cuba is working to strengthen its ties with Latin America, whose economic and social situation is terrible, saying that if urgent solutions are not found, no one can predict where it will end up.

About the possible [words indistinct] the Organization of American States, OAS, Fidel reiterated his position that his government would be willing to do so, if the Latin American countries want this and think it is appropriate. He stressed that there are many possibilities for strengthening relations between Cuba and Brazil in various fields of mutual interest, such as the research carried out in his country in medicine, biotechnology, chemistry, and agriculture. He stated that for its part, Brazil has considerable development in many fields that could be very useful to Cuba. In the interview granted to the television network O Globo, to which PRENSA LATINA had access, he added that Cuba would want to reach an understanding with Brazil about the international sugar market to avoid being competitors.

About the United States and its relations with its neighbors in the region, he asserted that it does not remember that Latin America exists and devotes itself to its relations with Europe. Fidel warned that he sees few possibilities that ideas of cooperation and integration will arise from the United States, much less that it would want to include Cuba in them at this time of euphoria and arrogance in Washington.

His statements to O Globo, the most influential television channel in Brazil, were disseminated as an exclusive at midnight. In answering a question about [word indistinct] in Cuba, Fidel clarified that from the dictator Fulgencio Batista down to the sectors affected by popular laws, there have always existed some groups of this kind which, supported by the United States, try to divide the Cuban people but cannot succeed. He added that this dissidence poses absolutely no danger and is very much in the minority, and that anyone who visits Cuba and sees the indestructible strength and unity of the people and the revolution would understand this.

At another point in the interview, Fidel said that one could debate which is the more democratic system, the one Cuba has had for the last 15 years or the one in other

countries. The Cuban leader said he is deeply convinced that socialism does have a future and that there is no better solution or course for Cuba. In response to a question from his interviewers, Fidel said that processes such as perestroyka may correspond to problems and conclusions in the USSR, but that Cuban rectification is based on our own convictions and a different reality. After the intense exchange of questions and answers, the journalists of O Globo set aside their professionalism and enthusiastically asked the Cuban president for his autograph.

Castro Meets Latin American Leaders in Brazil

FL1503192490 Havana Tele Rebelde Network in Spanish 1800 GMT 15 Mar 90

[Text] Commander in Chief Fidel Castro, president of the Councils of State and Ministers of Cuba, has met with many important people present in Brazil, including 15 heads of state or government, mainly from Latin America. During a dinner given by outgoing Brazilian President Jose Sarney, the commander in chief talked with Venezuelan President Carlos Andres Perez, Peruvian President Alan Garcia, Colombian President Virgilio Barco, Chilean President Patricio Aylwin, Argentine President Carlos Menem, Uruguayan President Luis Alberto Lacalle, and Spanish President Felipe Gonzalez, among others. Later the Cuban president met with the Soviet delegation that is attending the inauguration ceremony and spoke with two prominent Brazilian theologians, Frai Betto and Leonardo Boff.

Israel Said Trying To 'Eternalize' Occupation

FL1503231990 Havana Radio Rebelde Network in Spanish 2258 GMT 15 Mar 90

[Text] Cuba today denounced at the UN Security Council Israel's attempt to eternalize the occupation of Palestine with illegal Jewish settlements from Israel, the Soviet Union, and other nations.

Cuban Foreign Minister Isidoro Malmierca said that Israel is trying to permanently appropriate the territories of Gaza and the West Bank and trample the Palestinian rebellion by changing the composition of the population in those regions. Malmierca said that Israel does this because it has the military, political, and economic support of the United States.

Delegation Meets With Yemeni Socialist Party

FL1503213790 Havana Radio Reloj Network in Spanish 2057 GMT 15 Mar 90

[Text] A Cuban delegation presided over by Rudolfo Puentes Ferro, member of the Central Committee of the Communist Party of Cuba and deputy chief of the Foreign Relations Department, was received in Aden by Muhammad Sa'id Abdullah, member of the Politburo and secretary of the Central Committee of the Yemeni Socialist Party.

During the meeting, the two officials discussed matters pertaining to the development of fraternal ties between the two parties and matters concerning events in Latin America, the Middle East, and international affairs.

Dominican Republic

Balaguer Speaks on Foreign Debt, Inflation

FL1503171990 Santo Domingo Radio-Television Dominicana Radio Network in Spanish 1600 GMT 15 Mar 90

[Text] President Joaquin Balaguer believes that the country should pay its foreign debt, but not under the terms in which it was renegotiated. He said that the foreign debt will be paid, but without sacrifices by the people. Speaking in San Pedro de Macoris to representatives of the major sectors that have an influence on the economic life of the Dominican Republic, the head of state also touched on the issue of inflation, saying that it has its negative and positive points. The president also said there are several programs to handle the devaluation of Dominican currency, including those worked out by the World Bank and the (Hapsburger) Foundation.

President Balaguer met at the 2 July Club with representatives of the business, farming, banking, free zone, and other sectors to hear what their needs are and include them in the government platform he would carry out if he wins the coming elections. In his words to these sectors, President Balaguer promised he would hold these meetings in different areas of the country. The president was accompanied by Vice President Carlos Morales Troncoso and other political figures.

Electoral Board on Numbers of Registered Voters

FL1503170090 Santo Domingo Radio-Television Dominicana Radio Network in Spanish 1600 GMT 15 Mar 90

[Text] The voting population for the 16 May elections is 3,258,796 persons, according to a report from the Department of Calculations of the Central Electoral Board. Engineer Antonio de Jesus Camilo stated in a document released to journalists that of the total recorded in the voter registry, 1,638,740 reside in urban areas, which represents 50.28 percent of the voters. He said 1,620,056 citizens of voting age live in rural areas.

Grenada

Jones, Brathwaite To Meet; Coalition Expected

FL1503140790 Bridgetown CANA in English 1345 GMT 15 Mar 90

[Text] St. George's, Grenada, March 15, CANA—Grenada's interim Prime Minister Ben Jones will meet here Thursday [15 March] with the leader of the National Democratic Congress (NDC) Nicholas Brathwaite for talks expected to lead to the formation of a

coalition government following inconclusive general elections Tuesday [13 March], top level sources confirmed.

The session at the prime minister's office, follows exploratory discussions Wednesday between Jones, who heads the National Party (TNP) and senior NDC officials seeking to find a solution to the electoral impasse that has thwarted the formation of a new administration to handle the country's affairs for the next five years.

The 15 parliamentary seats were shared by four parties, none emerging with a clear majority. The NDC won the largest single bloc—seven—with the Grenada United Labour Party (GULP) taking four and both the TNP and the New National Party (NNP) of Dr. Keith Mitchell two each.

Behind-the-scenes efforts Wednesday by the GULP and the NNP to attract Jones' TNP into a counter coalition were derailed when his constituency group vigorously opposed the move.

"Good men must make sure that they do not associate with bad men as far as possible; now is a crucial time when the healing process must start," declared the so-called St. Andrews south west constituency council in a statement read in full on the state-owned radio Grenada.

A GULP-NNP-TNP accomodation would have given this group an 8-7 majority in Parliament. Under the Grenada Constitution, the governor general calls on the group which commands the support of the majority of elected members to form the government.

Brathwaite Says Situation 'Very Sensitive'

FL1503180690 Bridgetown CANA in English 1648 GMT 15 Mar 90

[Text] St. George's, Grenada, March 15, CANA—Leader of the National Democratic Congress (NDC) Nicholas Brathwaite arrived here on Thursday [15 March] from the ward island of Carricaou for talks with outgoing Prime Minister Ben Jones on the joint formation of a new administration, following inconclusive general elections here on Tuesday [13 March].

None of the six political parties which contested the March 13 general election emerged with an outright majority—the NDC winning the largest single bloc—seven—of the 15 seats at stake. Jones, whose National Party (TNP) copped two seats, the same as the New National Party (NNP) and had been approached Wednesday by the NNP and the Grenada United Labour Party (GULP), which won four seats, to form a one seat majority in Parliament.

Brathwaite told an airport news conference: "I am going to have talks with members of my party first and on the basis of that I am likely to have discussions with Mr. Jones," he told reporters. The NDC leader said that since the elections, he has not held discussions with Jones, who is under pressure here to break off the talks with the two other political parties to form the government.

"One must admit that the national interest must come first," Brathwaite told reporters.

He made it clear that should the negotiations with Jones fail to achieve a breakthrough in the present political struggle, his party would not be approaching the two other parties.

"I would not at any time work with the GULP and the NNP, as a party, but I am prepared to work with individuals," he added.

Brathwaite did not rule out the possibility of fresh general elections to resolve the issue, but said this would be dependent "on the mood of the country."

"The NDC's motto is let the people's voices be heard.... Whatever position we take would reflect the people," he added.

Brathwaite described the situation in Grenada at present as being "very sensitive." He said, however, if the talks with Jones proved to be "positive" he would approach the Governor General Sir Paul Scoon to "swear me in as prime minister." Brathwaite said he did not know how long the talks with Jones would take, but stressed the interest of the country would be put first.

Sources here said that Jones' TNP is divided on the issue. An hour-long meeting last night between Jones and the deputy leaders of the NDC laid the groundwork for Thursday's talks. An official of the TNP told reporters after Wednesday's discussions that the GULP offer was "still the best."

Haiti

Disruptions, Complaints in Public Services Spread

FL1503211290

[Editorial Report] Port-au-Prince Radio Soleil Network in Creole at 1200 GMT on 15 March carries a nine-minute report on disruptions in Haitian public administrations on 14 March, saying they were "paralyzed by a number of peaceful protests against a number of pillars of the former, corrupt administrations." According to the report, government employees in different offices and services stopped work yesterday to demand change, asking that certain officials with connections to former regimes be replaced.

Among these offices and services was Electricite d'Haiti, EDH, which has requested the removal of the director of planning, the technical director, and certain cadres. Employees say certain EDH officials "took all kinds of dossiers home on 11 March" and are asking the new government to make the men return the dossiers and account in court for their management of EDH. The employees say they have taken measures to continue

providing normal service but warn that certain people "are already plotting sabotage" of EDH.

Employees of CAMEP, the waterworks for the metropolitan area, have demanded the departure of General Director Claudel Gehy, who they say fired 274 employees and replaced them with followers of General Prosper Avril and Major Joseph Heubreux. People at the general hospital said their administrator, who had already been asked to leave the job, has not shown up since 8 March.

Employees of the Haitian Institute of Statistics and Data Processing stopped work yesterday, asking that the general director and deputy general director leave "because they lack competency and because other strange things are happening within the Institute." Employees of the Nationale Presses asked that their administrative director resign, and Haitian Government Lottery employees asked their director, Tony F. Pierre, to resign.

At the National Civil Aviation Office, Ofnac, the technicians responsible for flights and landings shut down the airport to protest Ofnac's present management, causing American Airlines to cancel its flight to Haiti. Only after talks with the airport's general director, retired general Carl Henri Nicolas and a government representative, Dr. Louis Roy, did the employees agree to resume work while waiting for their demands to be met.

Employees of the Sans Fil Street office of Telecommunications of Haiti, Teleco, demanded a new board of directors, saying there had to be a cleanup to put an end to spying by telephone taps, and macoute and undercover detective employee use of Teleco vehicles to commit criminal acts at night. At Minoterie d'Haiti, the national flour mill, employees stopped work to demand the departure of the general director and his new colleagues, accusing them of being "too close to Gen. Avril."

Finally, Road Signs Service employees demanded a civilian director to replace Col. Frantz Adam, accusing Adam of embezzlement, bad management, corruption, and immorality. They claim he "turns the service into a bordello every afternoon, bringing his girlfriends here to play." Radio Soleil says: "Since yesterday, according to the employees, the military director has begun firing everyone who has been denouncing him in the press. He has brought onto the premises a number of armored vehicles commanded by his brother Roger Adam, who is a chief."

Three Killed, Several Arrested in Carrefour

FL1503204890 Port-au-Prince Radio Metropole in French 1700 GMT 15 Mar 90

[Text] Three persons, among them an Army sergeant, were shot and killed last night in the Carrefour section of Port-au-Prince. Several arrests were made in Carrefour this morning.

Jamaica

Manley To Visit London After Caricom Summit

FL1503181790 Bridgetown CANA in English 1715 GMT 15 Mar 90

[Text] Kingston, Jamaica, March 15, CANA—Jamaican Prime Minister Michael Manley will visit Britain next week after participating in the Canada/Commonwealth Caribbean heads of government [meeting] in Barbados which starts on Sunday [18 March]. Manley will fly from Bridgetown on Monday night to London where he will hold meetings with a number of investors with interests in Jamaica, members of the West India Committee and Jamaican nationals residing there.

He will also address two meetings of Jamaicans in London on March 20 and in Nottingham the following night. This is part of a continuing programme to maintain contact with Jamaicans overseas to inform them of policies and programmes being pursued and to encourage them to invest in Jamaica.

U.S. Militarization of Border 'Ineffective'

FL1303190690 Mexico City NOTIMEX in Spanish 1542 GMT 13 Mar 90

[Text] Mexico City, 13 Mar (NOTIMEX)—The militarization of the Mexican border with the United States, proposed by the latter country under the pretext of fighting drug trafficking, has been described by Mexico as ineffective, diplomatic sources have stated. Sources in the Secretariat of Foreign Relations (SRE) have indicated that the military operation ordered by the Pentagon for the area of the Caribbean, the Gulf of Mexico, and the southern U.S. border does not at all contribute to improving bilateral relations.

They explained that drug trafficking should be fought from inside each country, which is where the problem really is. They also reiterated that the drug problem lies in the United States, because of the high consumption and demand present in urban areas and other regions of that country.

Regarding the U.S. Supreme Court's authorization for antidrug agents to make arrests or searches abroad, regardless of local laws, the sources asserted that Mexico, which challenged the measure, has not received an official response.

Canada's Prime Minister Brian Mulroney Arrives

FL1603014890 Mexico City NOTIMEX in Spanish 0132 GMT 16 Mar 90

[Text] Mexico City, 15 Mar (NOTIMEX)—Canadian Prime Minister Brian Mulroney arrived here tonight on an official four-day visit, during which he will meet with Mexican President Carlos Salinas de Gortari and Mexican Government officials. Mexican Foreign Secretary Fernando Solana welcomed the Canadian minister at the presidential hangar at the Benito Juarez International Airport.

The purpose of Mulroney's visit is to strengthen bilateral relations.

'Narcotraffickers' Kidnap, Kill 3 Venezuelans

FL1403132990 Mexico City NOTIMEX in Spanish 1616 GMT 13 Mar 90

[Text] Mexico City, 13 Mar (NOTIMEX)—Three Venezuelans kidnapped on 22 February were tortured and killed by Mexican narcotraffickers. This was stated by Javier Coello Trejo, assistant prosecutor against drug trafficking.

The official explained during a news conference that Jose Vladimir Arzolaya Mendoza, Victor Julio Zuate Peraza, and Amaury Glaciano Planchart, and also Mexican attorney Jesus Alfonso Guemes were murdered as a result of the revenge of narcotraffickers.

He said Luis Hector Palma, a.k.a. El Guero [the blond], and Ramon Leija, a.k.a. El Ramoncito, masterminded the crimes perpetrated on these people, who had killed El Guero's wife and children.

According to Coello Trejo, El Ramoncito and El Guero formed a commando of 10 gunmen that kidnapped the three Venezuelans and the Mexican to avenge the death of his wife and two children.

The version of the prosecutor's office indicated that Miguel Angel Felix Gallardo, an enemy of El Guero, ordered the kidnapping and murder of Palma's wife and children two years ago. This was carried out by the three Venezuelans and the Mexican attorney.

However, this version was confusing inasmuch as judicial sources had earlier reported that the murder of Palma's wife and children was perpetrated by a Venezuelan who had an affair with the narcotrafficker's wife, and it had nothing to do with the four who were kidnapped.

According to the prosecutor, the bodies of the Venezuelans and the Mexican attorney—who had been released years ago after being incarcerated for cocaine possession—were located in a shallow, makeshift grave. The bodies were found behind a hotel in Culiacan. They were gagged, tied, shot, and mutilated.

For its part, the prosecutor's office of the State of Sinaloa, located in the northwestern region of the country, reported that the bodies had been found on 11 March, but it was not until early this morning that the Venezuelans' wives were notified. They came and identified the bodies.

Sinaloa's Bar Association and public opinion in the area expressed their doubts about the version provided by the prosecutor's office for the fight against drug trafficking.

The situation regarding the vehicle used in the kidnapping of the four victims identified by one of the wives of the Venezuelans outside the Judicial Police office has not been clarified to date.

Costa Rica

Citizens Linked to Subversion To Be Prosecuted

PA1503125590 Hamburg DPA in Spanish 1726 GMT 13 Mar 90

[Text] San Jose, 13 Mar (DPA)—It was reported here today that a San Jose court has ordered the prosecution, preventive arrest, and seizure of property of 15 Costa Rican citizens linked to alleged "subversive" acts.

Those being prosecuted—who received "military training" in Libya, according to the authorities—were recently arrested in the Atlantic and other areas of the country. Several of them had reportedly established a so-called "Santamaria Patriotic Organization" (OPS), which according to the Judicial Investigation Agency (OIJ), was financed by Libya and was apparently an "arm" of the America Battalion founded in 1975 by Libyan leader Mu'ammar al-Qadhdhafi.

Several of the arrested are also linked to three attacks—between 1986 and 1988—involving explosives that took place across from the U.S. Consulate and in the vicinity of the U.S. Cultural Center.

According to the OIJ, some of them reportedly participated in a military offensive launched by the Farabundo Marti National Liberation Front (FMLN) in November in El Salvador.

El Salvador

Rebels To Continue Sabotage on Electrical System

PA1603015790 (Clandestine) Radio Venceremos in Spanish to El Salvador 0019 GMT 16 Mar 90

[Communique issued by the Farabundo Marti National Liberation Front, FMLN, in San Salvador on 15 March]

[Text] 1. The FMLN reiterates that as a gesture of goodwill it has suspended sabotage operations against transportation, telephone communications, and stores and has suspended actions against officials who are not involved in military or paramilitary activities.

2. The FMLN will continue to sabotage electrical systems. The suspension of this type of sabotage is subject to the gestures of the government in response to the FMLN's gestures and its contribution toward humanizing the conflict, respect for human rights, and democratization.

3. The positive gestures initiated by the FMLN will continue as long as the government and Armed Forces display a similar attitude.

FMLN, San Salvador, 15 March 1990.

Guatemala

Talks Between URNG, CNR To Begin in Oslo

PA1503164390 Panama City ACAN in Spanish 1514 GMT 15 Mar 90

[Text] Guatemala City, 15 Mar (ACAN-EFE)—An official source announced today that talks between the Guatemalan National Revolutionary Unity (URNG) and representatives of the National Reconciliation Commission (CNR) will begin on 27 March in Oslo with the approval of the government and the Army. The CNR delegation will be headed by Jorge Serrano, representative of the opposition political parties within the CNR, and by Mario Permouth, an honorable citizen.

The talks will be held 27 - 29 March in Oslo. The last talks to seek a political solution to the Guatemalan armed conflict were held in San Jose, Costa Rica, in August 1988.

The URNG has reiterated its willingness to begin a dialogue with the government of President Vinicio Cerezo, with whom it had its first contact in October 1987 in Madrid.

Honduras

President Callejas Comments on Economy, Contras

PA1503165190 Tegucigalpa Televisora Hondurena in Spanish 0100 GMT 15 Mar 90

[Report by Geovani Garcia on statement by President Rafael Leonardo Callejas at Government House in Tegucigalpa on 14 March—recorded]

[Text] [Garcia] The march of nationalism concluded in Tegucigalpa a few minutes ago. The march was called to express support for the government of Rafael Leonardo Callejas and his decisions. Followers and activists arrived at the site of the march carrying posters and banners with slogans against the Liberals' attacks. The Callejas supporters gathered outside Government House to anxiously wait for the Honduran president to appear at the balcony to speak to them, which the president did, promising better conditions for the people and justifying the adoption of economic measures.

[Callejas] Obviously, there are decisions that please neither you nor me. However, these decisions are necessary to prevent the most difficult situation a nation could have: the inflationary process, which is the biggest and highest tax a nation could pay.

[Garcia] Callejas clearly said that despite the harsh economic measures, his government will not forget the most needy sectors.

[Callejas] Regarding economic plans, we have not [words indistinct] forgotten about our relation with [words indistinct] more seriously affected. Therefore, we are establishing a plan for single mothers, seeking to benefit

6,000 women. The plan intends to provide these women with a monthly allowance for health, education, housing, food, [words indistinct] [applause] [words indistinct] especially now that [words indistinct] our children in the school year from kindergarden to the third grade. This is why I have [words indistinc] at schools, because in all neighborhoods I visited I found that every [words indistinct] house had been improved, but those living in the house did not own the land. Therefore, through the Land Bank, we will make hundreds of people the owners of the land, so in the future, [words indistinct] of their own land.

[Garcia] Finally, in his speech, Callejas told his followers that the time for peace has come to Central America. Therefore, the contras are withdrawing.

[Callejas] We want to send a clear message to the irregular Nicaraguan counterrevolutionary forces: War in Central America is over [applause]. Our fatherland and its people opened up its doors to them, (?the counterrevolutionary forces), regardless of the circumstances. Today they must get out of Nicaragua and return to Nicaragua.

[Garcia] Tegucigalpa Mayor Nora Gumera de Melgar also participated in the demonstration by the fervent National Party supporters, who, with their usual enthusiasm, cheered the president.

American Injured in Bombing by New Movement

PA1503220990 Panama City ACAN in Spanish 2019 GMT 15 Mar 90

[Text] Tegucigalpa, 15 Mar (ACAN-EFE)—Three people were injured today when a bomb—set for propagandistic purposes—exploded in downtown Tegucigalpa. Responsibility for the incident was claimed by an organization previously unknown in the country.

The new movement calls itself "Patriotic Resistance Army 1827 (ERP)," and it stated in a manifesto printed in eight-syllable verses that it is composed of "male and female Honduran patriots."

The bomb exploded at 1230 (1830 GMT) on a pedestrian path at a Tegucigalpa shopping center, approximately 400 meters from the presidential house.

The persons injured were identified as Honduran Victoria Chinchilla; Honduran Luis Carlos Guardiola, a reporter; and Sheila Graham, an American.

The ERP is protesting the economic adjustments recently decreed by the government of Rafael Leonardo Callejas.

The new movement points out that the country's economic crisis "is the result of the implementation of an economic policy to favor the interests of gringo multinational corporations, the bourgeoisie, and land owners who constitute the local oligarchy."

The ERP states that to resolve the crisis, Callejas has "seriously followed his bosses' orders" and has not hesitated to implement a series of unpopular economic measures ordered by the Agency for International Development (AID) and the IMF." [quotation marks as received]

These measures, the propagandistic leaflet points out, favor "a few privileged minorities, the people who are sacking the country, who are responsible for our lack of national independence, and for the economic and social backwardness in which we live, and which will lead to increased poverty and suffering for the masses."

The leaflet emphasizes that only a few days after Callejas took office on 27 January, he "proved his pro-imperialist and oligarchic descent," and that all of the promises he made during his political campaign "were nothing more than a means of deceiving the people."

The ERP states that the Honduran people have always believed in the "different governments' demagogic promises, which in practice have only brought hunger, repression, unemployment, a lack of democratic freedoms and, more and more, the surrender of our territory to the gringos and the Somozist counterrevolution (contras)."

The movement points out that it is joining the protests of various popular sectors in the country that are opposed to the economic measures adopted by the government.

The manifesto concludes: "For national salvation, fight until victory. General Staff of the Patriotic Resistance."

Congress President Views Military Budget Cut

PA1503155990 Tegucigalpa EL HERALDO in Spanish 1 Mar 90 p 39

[Text] National Congress President Rodolfo Irias Navas confirmed on 28 February that the Armed Forces budget—which exceeds 150 million lempiras—will be reduced by 10 percent. If the Honduran Armed Forces budget were to be reduced this 10 percent, it would suffer a 15-million lempira cutback.

"With the situation Honduras is experiencing, cutbacks at all levels must be made, and all institutions, including the Armed Forces, will be affected," Irias said.

According to the Congress president, the executive branch is willing to reduce their budget by 10 percent, and therefore "with pleasure we shall do likewise with the Armed Forces'."

"I believe the contras should definitely be dissolved because there no longer is any reason for their existence," Irias said. According to Irias Navas, the contras should join Nicaragua's productive process and seek to attain true democratization.

Irias said that the National Opposition Union (UNO) must allow the Sandinists to share power because they are the country's second-largest political force.

"We know it is difficult to have a conciliation government with two forces of such diverse ideologies, common ground must be found to seek political stability in Nicaragua," he added.

The Congress president said that the Nicaraguan Army is extremely large and should be reduced since it had been built-up to face the counterrevolution. The contras and the Sandinists should not fall into the trap of trying to argue which came first, the chicken or the egg, when deciding who should compose the army, but should talk and negotiate.

In the opinion of Irias Navas, the U.S. Government should provide economic aid to Nicaragua.

* National Party's Governing Plan 1990-1994

90EM0096A Tegucigalpa PLAN DE GOBIERNO 1990-1994 in Spanish publication date unknown pp 1-29

[Pamphlet published by National Party of Honduras: "Governing Plan 1990-1994. Change: Participation, Welfare, and National Dignity"]

[Text]

First Part

Change

I. Change and the National Party Candidate

Fellow Countrymen:

As a candidate for the Presidency of the Republic of Honduras, I have for several years toured all of the country's departments and municipalities, carefully listening to the concerns and aspirations of its inhabitants. I have comprehended the reality of their present necessities and deprivations, and I have reached the conclusion that it is my duty as a statesman to decide on and execute change in order to surmount the crisis, bring general welfare, and foster development.

My entire political campaign, my speeches throughout all these past years, and this Governing Plan reflect the conviction that, with the assistance of all Hondurans, it will be possible to surmount the crisis currently besetting us and to advance at a steady pace toward progress. The Governing Plan that I am submitting for your consideration here will, furthermore, be carried out with specific projects, the sum and impact of which will result in a decent standard of living and quality of work for Honduran men and women, and will lay the groundwork for the change under democracy that we advocate.

This Governing Plan is my summons to the Honduran people for concerted action that will maximize our resources, our human values, and our capacities for work. It is my summons for forming a Honduran capable of promoting his own development, one who is creative and prepared to understand change, who knows how to make the best use of the national and international environment, and who will help modernize our state: in short, a Honduran who will make the affirmation of his national identity, and the promotion of his own welfare and that of his fellow countrymen, a constant in his life.

Change implies a process of democratization, and a government respectful of the people's sovereignty, expressed through national coordination and through respect for the rule of law. We shall achieve change, because I am offering you a government with priorities based on the national interest, and a government of firm democratic decisions.

Here you have my Governing Plan, my commitment as a future ruler of Honduras. The 1980's have given evidence of what results from a weak government marked by improvisation and mistakes. It is not fair for us Hondurans to continue being led by those same governments that have fostered unhappiness for the majority of our people.

Our welfare and our responsibility toward ourselves, our families, and our nation as a whole summon us to meditate and to vote for the change that I am proposing to you, with a decided willingness to execute it.

As a candidate, I ask for your conscious vote in support of that change toward economic, social, cultural, and moral welfare, and toward the affirmation of our identity and nationality.

Inspired by my identity as a Honduran, and by my desire for all of us to live in freedom and dignity, I trust that I shall enjoy the support of the majority of the people. I ask those who have not yet decided the direction of their vote to trust in my candidacy and, like all the other fellow countrymen willing to elect me, to heed and reflect on the appeal that was made to us by the Honduran national hero, our wise Jose Cecilio del Valle, when he told us: "In the name of God, beneficent author of humans and citizens, elect those who have given effective proof, unequivocal proof, of adherence to our system. Do not be content with promises or oaths; turn your gaze back to previous times. Seek actions, and do not trust in words.

"While vigilance is necessary at all times, during these times it is needed more than ever."

II. Change and the National Party

The Country Demands a Change

The poor are those living in squalid huts, sleeping eight or more to a bed and others on a dirt floor, lacking water or light, using the out-of-doors for their basic necessities, suffering cold and hunger and without the means for purchasing medicines or clothing. This indecent human condition is widespread in our reality, injuring the

individual, the family, the community, and the nation. Without its elimination or substantial reduction, general development will be virtually impossible, because it is keeping a large portion of the population in a state of low output and meager consumption capacity. It also fails to make them a decisive factor in promoting production, much less creating the elements for national transformation.

In Honduras, 20 percent of the population earns under 38 centavos per day, and 10 percent receives an income of 19 centavos per day to meet all its needs. We are suffering from a high infant mortality rate, with 78.6 per 1,000 live births, and a life expectancy of under 62 years. Moreover, 1.6 million Hondurans lack a waste disposal system. The housing shortage exceeds 500,000 units. The depressing social situation confronting the vast majority of our population is spreading its negative quality to all members of the family group, children and parents. It is affecting children, adolescents, adults, and the aged, with an impact on men and women alike. It exists in rural and urban areas, both where there is abundance and where there are only meager resources.

Honduras had a per capita product of 1,078 lempiras in 1987. The economic growth rate of 5.1 percent in the 1960's and 4.4 percent in the 1970's, although positive, was insufficient to significantly reverse the high poverty levels among the majority of the population, especially in the rural and outlying urban areas.

This situation became exacerbated starting in the 1980's. The international economic crisis, reflected by a restriction on trade, growing protectionism, higher interest rates, and limits on foreign credit, impacted the Honduran economy, typified by its high degree of dependence on the external sector for imports, and of barriers to exports. In addition, an erroneous, uncoordinated economic policy made the crisis substantially worse.

Structural and cyclical problems were combined in this context, creating or causing a situation that was far more complex and difficult to manage. The country's economic deterioration and the social repercussions thereof on the living standard of Hondurans have been impressive: Per capita income is 13 percent lower than that attained in 1980. Nearly a decade has been marked by retrogression. In fact, in terms of development we have wasted the 1980's.

As a result of the current type of management the public sector has become an enormous, inefficient, slow apparatus, paralleled by a high degree of overall lack of sectorial and institutional coordination, based on an imbalanced internal and external economic structure, incapable of overcoming its status as an exporter of traditional products. The latter now total 86.5 percent (bananas, 39.3 percent; coffee, 25.2 percent; and others).

These are the basic premises on which the future government will have to work and which it will have to surmount. The National Party candidate is ready to lay the groundwork for the structural change demanded by the nation, which all of us Hondurans together will carry out over the next 4 years.

The Change Proposed by the National Party

In view of this crisis that has become progressively exacerbated during the past 10 years, and the transformations that have taken place in the world, the National Party as a political institution has been investigating, analyzing, and reflecting on the needs of Honduras, and on the policies and measures required, not only to surmount the present crisis, but, in particular, to achieve stability and to create the appropriate conditions for emerging from underdevelopment.

As a result of those activities, the National Party reaffirms its assertion that the Honduran crisis and underdevelopment can be solved only by political, economic, social, cultural, and moral change, backed by the people's participation and by the respect for human beings, within a democratic, nationalistic context.

The National Party is the institution that can ensure the people effective political participation for attaining public office, the achievement of full effectiveness of the Constitution of the Republic, and the economic, social, and cultural development of Hondurans. It will keep the territorial honor, sovereignty, and integrity unharmed, and make certain that there is unlimited respect for human rights.

Hence, we are proposing a Governing Plan based on the aforementioned goals of the National Party, which will be implemented by a real democratization process and a unified, consistent, dynamic, and visionary policy, both domestic and international. This policy will have specific priorities which, implemented with programs and projects, will lend it viability and find ways of meeting the Honduran people's expectations.

III. Ideological Foundations

Rule of Law, National Dignity, and Democratic Coordination

The National Party of Honduras is an institution with ideological foundations inspired by permanent democratic principles of social justice, with action enhanced by a perception of and reflection on the dynamics of the great social, economic, political, and cultural transformations.

Therefore, this Governing Plan:

a. Proposes change in two directions: 1) The one that will lead directly to correcting the political behavior that has hurt the state of Honduras, submerging it in the present crisis and darkening the future of Honduran society's development; and, 2) the one that will enable us to take our place in the society of the 21st century, so as to put us in a position to assimilate the humanistic, scientific, and technical progress under way, and to participate, in

the manner in which we are called upon by interdependence and our option of integration in Central America, in the thriving movements of world trade, in both the Atlantic and Pacific basins.

b. Establishes the party's slogan, "social justice with freedom and democracy," declaring that those lofty goals will be attained through real, genuine guarantees for respect and protection of human beings and their dignity, because they are the raison d'etre, or entelechy, of the society and the state.

c. Proposes and declares its intention of making the change with the real, formal legitimacy of authority: a formal legitimacy through the effective force of the "rule of law," wherein there is a guaranteee of effectiveness of the principle of equality before the law, and wherein governors and governed are subjected, without any excuse or exception, to the observance and fulfillment of the Constitution of the Republic and the laws. This will offer the legal security required to foster social relations marked by harmonious coexistence and increased production, the only means of promoting the general welfare.

d. Simultaneously reinforces the state's action with the real legitimacy derived from the exercise of public authorities based on the national interest, through a democratic government willing to make the political, economic, and social changes that we propose by means of national coordination.

All sectors, civilian and military, businessmen, workers, peasants, and professionals, will have equal participation in this coordination. And it will be our priority to create jobs and surmount the obstacles that the administrations have imposed on the desire of Hondurans to progress and create new economic activities and types of work that are legitimate and productive. There will be coordination and a political will to lend effectiveness to the right to work, health, food, education, and housing. Private property, in its broadest concept as a social function, will be promoted among all Hondurans, and the enjoyment and exercise of that right will be fully guaranteed.

With this real, formal legitimacy, we shall restore the confidence of our fellow countrymen in the state's political leadership; and we shall exercise a national leadership that will put an end to the improvisations of the 1980's, the dangerous fragmentation of our society, the weakness of the executive branch, and the growing corruption that is tending to become generalized.

e. Affirms the Honduran nationality and identity inside and outside the country, establishing means that will enable the Honduran to have security and confidence in his own territory, in the use and conservation of its natural resources, and in the need to protect the environment that is safeguarding the very life of the Honduran nation.

f. Considers culture a fundamental part of all the areas of overall development, both personal and social, linked with concepts of social welfare and justice, independence, education, communication, production, creativity, health, and morals. It puts culture in the context of the general policy, with a wise interrelationship between the goals of development and cultural values, in a national and intergenerational effort that will allow for the changes that we Hondurans want to make in our organizational life and in our projections toward the future.

g. Declares that the family, as the prime social, economic, and human group, is the mother cell of the nation. The search for justice must be based on a family model backed by the national reality, and geared to modern social dynamics.

By reinforcing the family, Honduran society will be able to set forth in search of the country's enduring social order and overall development.

h. Seeks to modernize and integrate the governmental structures and political authority, so as to introduce coordination, efficiency, and professionalism. It also seeks to foster respect among the state authorities, striving for the fulfillment of their interdependent relations, based on complementation, so as to achieve progress and create a propitious environment for the nation's community leaders (adults and youth, men and women) to join the government actively in advancing toward the national welfare. One of the first steps that we shall take in that direction will be to start urgently needed projects making it possible to eliminate the extreme poverty and misery of our fellow countrymen.

Dealing with the social debt will be a priority goal of our society, and the beginning of the restoration of our national identity, achieving this through the execution of the programs included in this Governing Plan.

i. Proposes to carry out a development policy that will entail institutional changes, redefinition of functions, macroeconomic adjustments, innovation, and creativitiy in devising strategies, and the development of a consistent, dynamic, group of programs in the public and private sectors.

j. Conceives of national security as an integral element of our democratization process, in the service of economic, social, and cultural development, within the context of the rule of law and national coordination.

The execution of the national security policy, thus conceived, will be a task for all Hondurans, and the Armed Forces, as a national institution, will contribute to this national development. As a specialized entity, they will also guarantee it by their increasing professionalism, protecting the internal public order, defending the peace, and safeguarding the democratic republic, the rule of law, and the territorial sovereignty and integrity of Honduras.

k. Calls for sovereign action to reclaim our national independence. We shall exercise the right to it in the internal and international realm, because the exercise thereof is inextricably linked to the essence of our sovereignty as a nation.

l. Declares that, henceforth, our foreign policy will be the faithful reflection of our sovereignty and of the Honduran people's humanistic, democratic, and peaceful aspirations.

Our foreign policy will complement our domestic policy, and will project a respectable image in keeping with the merits and status of the Honduran nation.

In Honduras there will no longer be two contradictory policies, but rather a single policy which, based on the measures necessary for attaining democracy, social justice, freedom, and the welfare of Honduras, will also lead us to march ahead with those in the forefront, on the international level, who are seeking to attain the goals of the United Nations' peoples. It will lead us to preserve them from the scourge of war, and to reaffirm faith in fundamental human rights, in the dignity and value of the human person, in equal rights for men and women, and for large and small nations. Conditions will be created whereby justice and respect for international law can be maintained, promoting social progress and a rise in the standard of living, based on a broader concept of freedom.

Second Part

Instruments for Change

National Policy

Promotion of Overall Participatory Democracy, Development, and Peace

I. Domestic Policy

1.1 Toward Change in the Economic Strategy

Honduras will have to expend enormous efforts, not only to surmount the crisis generated since 1980, but also, essentially, to eliminate or reduce substantially the economic and social backwardness resulting from an inefficient, uncoordinated style of development.

The National Party presents its economic policy concentrated on the short and long term, as a process of continuous transformation. The analysis of the Honduran economy's performance during the past 8 years shows that the action taken has not succeeded in developing a consistent economic policy that would overcome the level of economic and social deterioration.

The speculation in the exchange rate, the expansion of public spending, the lack of dynamism in public and private investment, and the high unemployment rate are telling indicators that the management of the economic policy has been unsuccessful in surmounting the economic and social crisis that the country is undergoing.

The challenge now and in the next few years consists of regaining the nation's capacity for growth. The serious situation that the country is experiencing, the magnitude and depth of the fundamental maladjustments in the economic structure, and the constant deterioration in the population's standard of living prove that it would be insufficient to adopt a strategy seeking merely to stabilize the economy. Hence, it is necessary to act, at the same time, on the deep roots of the major imbalances in the productive system, the unsuitable allocation of domestic savings, the chronic shortage of foreign currency, and the persistence of social deficits. In this context, the National Party defines the following as fundamental objectives of its economic strategy:

- To lay solid groundwork for sustained economic growth, that will make it possible to reactivate the economy and to generate employment commensurate with the achievement of a society that has incorporated social and economic justice as fundamental values.
- To overcome macroeconomic imbalances in the fiscal, financial, and monetary sectors, laying the groundwork for sound economic growth.
- To attain maximum efficiency in the allocation of financial resources on the market, constructing the bases for transformation to a dynamic, verifiable, efficient economy that will stimulate the creativity and capacity of the various economic agents.

Strategy

The aforementioned objectives will be attained through the execution of two strategies: a) economic reorganization and, b) structural change.

a. Economic Reorganization:

Based on the context of economic reorganization, the established orientation seeks to achieve a more just, stable, and efficient operation of the economy. To this end, it is proposed to introduce consistent relations among the different policy instruments, considering both the conditioning factors and trends in the international environment and the internal structural features limiting economic growth.

The proposed reorganization means major changes with respect to the past, from the standpoint of direction and intensity in the use of financial, economic, and legal instruments. Generally speaking, it is intended to overcome gradually the internal structural restrictions and achieve a certain flexibility in maintaining the desired course of action when faced with unfavorable circumstances that could occur in the international environment.

The fundamental elements in this primary strategy, which are based on growth in an outward direction, are:

To eliminate the speculation caused by the various exchange rates, restoring confidence to the nation, reestablishing the soundness of the lempira, and rejecting inorganic issues of money and devaluation as a policy

instrument. To curb the growing inflation that the people are experiencing, because accepting the proposal of coexisting with inflation means undermining the bases of a sound economic recovery.

- To promote and protect competition by reinforcing the private sector. The present government has used a caricature of a statist, paternalistic, economic model that has been an outright failure. We need to stimulate the initiative and creativity of Hondurans in a different economic system that will encourage individual and collective productivity. The state will combat corruption, contraband, and the imperfections in the market that hurt competition. With the year 2000 11 years away, we cannot attempt to survive with an economically irrational and socially unjust style of development.
- To establish a stable, consistent policy for promoting exports. This will be possible only with a consistent, visible economic policy for all sectors of economic activity. It will call for financial incentives, and technical and organizational assistance to the exporter. For this purpose an impetus will be given to the elimination of bureaucratic procedures and red tape, so as to speed up the processes involved therein. The shortage of foreign currency and lack of capacity to generate it are a real problem. The new government will receive the economy with an unprecedented lack of equilibrium in the balance of payments. The Nationalist administration will have that shortage as a frame of reference; hence, an extraordinarily efficient use will be made of foreign currency. All this will be achieved through a rational importing policy and rational systems for dealing with the foreign debt payment, fostering a strategy of outward growth that will dynamize and diversify the sources of foreign currency generation.

b. Toward Structural Change:

This strategy is aimed at a thorough transformation of the production and distribution system, through the creation of mechanisms for social participation, to overcome the fundamental inadequacies and imbalances in the present economic structure.

Four basic areas are considered a fundamental part of this strategy:

1) The agrarian and agroforest reform sectors, which will be part of the basic focal points in the development policy, aimed at transforming the nation's productive system and achieving an increase in production, the fulfillment of basic necessities, and a reduction in unemployment.

2) Reinforcement of small and medium-sized industry, manual trades, and microenterprises. Private enterprise will be strongly backed, especially medium-sized enterprise and the microentrepreneurial sector. This is so because the National Party regards those sectors as basic for the country's economic reactivation and for a more equitable distribution of income. Also considered as such is the existing national agroindustry, especially that typified by the generation of employment, high value added, and the processing of intermediate goods of national origin.

3) A new orientation for public spending and investment. Public spending will be aimed concurrently at the social and productive sectors, increasing economic activity, generating employment and income growth, and creating better living conditions for the population. Emphasis will be placed on efficiency and integrity in the use and management of public spending.

4) A new focus will be promoted in international economic relations, based on a policy of diversification and cooperation in the financial, technical, and technological areas. The focusing of an economy on the external sector is consistent with the strengthening of international economic relations.

The focus proposed is an open markets policy based on "diplomacy for development," coordinated among the institutions with expertise in such activities:

i. To establish an expeditious, visionary platform for international trade, adopting measures aimed at diversification of products and markets, to reduce our level of dependence, and to improve trade relations based on the country's requirements.

ii. To establish and negotiate mechanisms that will allow Honduras a greater international presence, with a bloc to foster benefits in technology, commerce, investment, financing, and technical cooperation.

iii. To negotiate the foreign debt. The present system of dealing with the foreign debt must be changed. The terms on which the foreign debt has been left absorb vital resources and reduce the chances of directing new funds toward the social and productive sectors. Such growth is essential for ensuring sources of employment for Hondurans, preventing the country from continuing to become impoverished, and guaranteeing democratic stability.

Basic Programs in the Macroeconomic Area

Grounds for the Macroeconomic Program

They are founded upon a series of principles that are central to the development of the national economy. These principles are the following:

- Search for autonomous solutions and rejection of dependence.
- Utilization of potential and comparative advantages.
- Coordination of the economic changes and adjustments.
- Equality of opportunity among economic sectors.
- Expeditiousness in administration and procedures to facilitate economic activity.
- Elimination of the distortions, incentives, subsidies, and uncertainties that discourage exports and private investment.

- Combating inflation, founded on an authentic economic and monetary stability as a basis for constant growth of the national economy.
- A stable, permanent, coordinated economic policy based on economic security for investment.
- Visibility in the administrative and financial management of the state.

The foregoing principles will govern the main activities of a macroeconomic nature, seeking to eliminate inflation, provide economic stability, and return to a minimal growth rate exceeding the population growth. The current official statistics do not totally reveal the reality of the inflation being suffered because of the composition of the basic market basket, whereby many of the products included in it are subject to price controls that the government is attempting to implement at present.

The fiscal, monetary, and commercial policies serve to back up the other programs proposed as part of this plan, and should be viewed as interrelated with them.

Fiscal Policy

The basic objectives are:

- To succeed, under the existing conditions, in operating with a balanced budget.
- To improve the tax collection mechanisms in order to increase revenues.
- To structure and expand mechanisms to curb contraband and tax fraud, in coordination with the competent authorities.
- To reduce the state's activity through the abolishment of entities whose operation does not foster development.
- To transfer certain state services to private entities with proven capacity and efficiency in the rendering of said services.
- To implement the mandate for budget liquidation.
- To gear the defense spending requirements consistently to the Central American geopolitical context and to the progress of pacification and democratization in the area.
- To hold managers and executives of state institutions responsible for the contract and spending negotiation processes, so that they will really protect the interests of the nation and not merely yield to any type of pressure or contingencies.

Policies for Monetary and Exchange Stability

The basic objectives are the following:

- To coordinate and negotiate the exchange measures adopted with the different economic sectors, avoiding unilaterality, and always considering conciliation among those sectors.
- To develop and coordinate with the international agencies measures that will facilitate the transfer of funds from abroad to offset the negative flow that the country has been experiencing in recent years.
- To implement measures that will lend maximum visibility to the money market.
- To promote measures actively and decidedly to encourage savings of foreign currency, promotion of traditional and nontraditional exports, and both national and foreign investment.
- To put into operaton mechanisms to prevent distortions from occurring in the management and marketing of foreign currency, through the regulatory action of the central banking sector.
- To develop and execute additional measures that become necessary to promote investment in the agricultural and industrial sectors, as a basis for initiating the process of reactivating the different sectors of the national economy in the components outlined in the rest of the plan.

Foreign Trade Promotion and Development Policy

The basic objectives are the following:

- To lay the groundwork for the development of the country's exporting sector, based on the nation's competitiveness, productive efficiency, and comparative advantages.
- To develop the mechanisms necessary to facilitate national exports from a legal, organizational, administrative, and functional standpoint.
- To reinforce the country's negotiating position in the various international forums, through a real integration of the Foreign Service into the country's public and private economic mechanisms.
- To determine a strategy consistent with the national requirements in the regional commercial forums, taking advantage of the country's geographical position.
- To increasingly eliminate the different protectionist systems and distorting elements that impede the competitiveness and efficiency of the country's economic sectors.

Labor Policy

Grounds: It is obvious that the efforts being expended to help overcome the unemployment problem have proven inadequate, and that the economy's reactivation and the solution to the social problems require dealing with it in a serious, responsible manner. The National Party declares the need for devising and enacting a policy of employment and visibility in labor-management relations that will be an essential part of the Nationalist concept of development, counting on the most definite understanding on the part of all sectors of economic activity, including the trade union and social sectors.

The objectives of the labor policy are:

- To contribute to a better distribution of national income and wealth, through fair pay to the labor factor.
- To reinforce work as a right that the state is obligated to guarantee, adopting measures that will fully guarantee compliance with labor legislation and respect for labor authorities.

- To reinforce and expand social security in rural and urban areas, until it becomes permanent.
- To modernize the labor administration.
- To hasten and make more visible the procedures for dealing with and resolving collective labor disputes.
- To revise, update, and execute the minimum wage law.

Policies in the Production Area

Objectives:

- To put an end to extreme poverty through increased production and productivity, by means of complete training of human capital.
- To organize the national territory so as to make use of the country's comparative agroecological advantages in agricultural-livestock, forests, and fisheries.
- To revise the agroforest production policies, so as to consolidate a strong position in the regional and international areas over the long term.
- To create conditions marked by respect for land access, use, and ownership, so as to give an incentive for short-, medium-, and long-term agroforest investments.
- To coordinate macroeconomic policies for production and environmental protection, and fiscal policies to promote investment and production.
- To foster the participation of the largest possible number of Hondurans in cultural and entrepreneurial transformation to reactivate the economy.

Identification of Sectorial Productive Programs

Food Security: Priority will be given to food production so as to improve nutrition, produce surpluses for export, and revitalize the country in general. For this purpose, a clear, consistent, long-term policy will be established, which will ensure our population basic food supplies and restore to Honduras its status as a Central American breadbasket.

Traditional Agricultural Products: There will be continued support for the production of commodities for export, and more speedy and effective marketing mechanisms will be sought to increase exports thereof. A legal framework will be established to foster equanimity among farmers, so as to promote long-term investments.

Nontraditional Agricultural Products: The gamut of agricultural products for export will be expanded, through the promotion of nontraditional crops. For this purpose, use will be made of the country's comparative agroecological and geostrategic advantages.

Agrarian Reform: Change, Reconversion, Modernization, and Participation in Democracy

The agrarian reform process, which began nearly 20 years ago, has, during the last decade, suffered the onslaughts of national and international social, economic, and political changes, and has reached the end of the 1980's at its worst economic and political juncture in history.

Circumstances and history have separated the national agricultural-livestock sector into two groups: the beneficiaries of the agrarian reform process, commonly known as the "reformed sector," and the rest. Unfortunately, this original mistake, a result of the historical juncture that the country and continent were undergoing about a quarter of a century ago, created two realities, with which the next government will have to cope.

Agricultural-Livestock Sector in General

The fact is that the agricultural-livestock sector not included in the agrarian reform process is simply in the majority. These producers are still experiencing today the same problems that they had before the implementation of agrarian reform, which may be summarized as follows:

- Lack of access to and use of land resources.
- Uncertain ownership of the land that they now occupy, owing to slow, complex, and politicized legal processes.
- Shortage of credit.
- Lack of technical assistance.
- Expensive agricultural equipment.
- Low prices for their products.
- Lack of roads, irrigation and drainage infrastructure, and markets.
- Lack of technical training for production.

In short, this sector is experiencing such a state of frustration that it is being prompted to give up production and emigrate to the cities in search of an opportunity for improving their living standard, something that is nonexistent.

For these fellow countrymen comprising a majority, the National Party proposes a serious, definite agricultural-livestock policy that will be aimed at solving the previous problems and ensuring the large-, medium-, or small-sized producer the elements necessary for producing and being able to make a living from farming.

Nevertheless, for those who lack land and want to procure it, the National Party, adhering strictly to the existing legal framework, will create mechanisms making it possible to achieve this access through its rural development program and a clearcut, precise agricultural policy. And for those who lack land and do not want it, through the execution of this Governing Plan, alternative options for economic activity will be created.

Those who have land and resources, and want to produce, will be guaranteed respect for the law and for the rights granted them by it. They will have equanimity for working in peace and democracy.

Reformed Sector

The political, social, and especially economic debilitation of the reformed sector is not really comparable to anything. Nevertheless, the reformed sector has made a real contribution to the development of the sector as a whole, although, unfortunately, politicization, bureaucratization, and centralist paternalism have caused that sector to require a thorough revision, especially insofar as its economic reactivation is concerned.

The reactivation and reconversion of the reformed sector will not be easy, because it represents, fundamentally, the beginning of a genuine economic, social, and political reconversion to transform it from a debilitated, neglected, and dependent sector into a modern, active, productive one.

It is impossible to expect or want the reformed sector's social, economic, and technical reconversion and modernization to be merely a result of its own effort and of government support, as it has been conceived and executed up until now.

The change that is advocated for the reformed sector is based on the sector's reconversion and economic reactivation through the development of a reconversion program to devise and execute projects that are economically and technically viable for the peasant groups in the reformed sector. This effort requires backing from the sector as a whole, both from the peasant organizations, the sector's entrepreneurial groups, banking, industry, and government.

National Agrarian Pact: Peace, Production, and Participation

The Agrarian Pact, which has failed so many times because of the individual and political interests of one group or another, will be an unequivocal goal of the next Nationalist government. As a priority objective, we shall seek peace, work, and modernization in national agriculture, attaining our goal by putting into effect rural development, the reconversion and modernization of the reformed sector, and the implementation of a clear, precise, and differentiated agricultural-livestock policy. This is the essential framework for backing the development of the sector as a whole, with differentiated policies and clear-cut ground rules for each group.

The agrarian pact will be "rural democracy of change in action," wherein all of those making their living from agriculture will have a voice. The agricultural-livestock sector, the cornerstone of our development, must be put into action; and to achieve change there must be full participation by everyone, so as thereby to consolidate the welfare of each producer.

- Forest and Environment. Forest resources will be considered the vital link in development, because of their importance and their influence on all the productive sectors of the economy, and because they are supported by water sources, the climate, the environment, and biodiversity. This sector will have a long-term policy that will give it higher priority in the government's development plans, emphasizing its supportable management, rational use, conservation, and recapitalization through massive forestation.
- Industry. The activities of the industrial sector will be redirected from production for small, highly protected markets with few opportunities for expansion toward the large international markets, based on a system of free enterprise and market economy.
- Tourism. The "industry without smokestacks" will be promoted by making use of the country's geographical, natural, and cultural comparative advantages, converting it, over the short and medium term, into a source generating foreign currency, employment, and a good image for Honduras. For this purpose, the problem of basic infrastructure, particularly that of hotels, one of the main factors limiting its development, will be solved, and information offices will be established in the countries where tourism originates.
- Physical Infrastructure. The existing infrastructure will be rehabilitated, and there will be an expansion of that required to reactivate the country economically, and to maintain self-supported development over the long term. To achieve this, policy- and decision-making will be integrated, so that they will be congruent and consistent with all the other sectorial development plans.
- Mines. The polymetallic and nonmetallic mining sector will be reactivated, and the energy sector will be developed. For this purpose, the tax structure will be readapted so that the investment in the sector will find an attractive, stable, legal and tax framework.
- Fishing. Rational use will be arranged for the fragile ecosystems in our territorial waters in the Atlantic, the Gulf of Fonseca, and the Pacific. Fishing and cultivation of mollusks will also be promoted in our rivers, lakes, and ponds; converting this branch of industry into a factor for both commercial and manual trades development, and for the improvement of the national food diet.

1. Food Security Program

a. Grounds for the Program. National food production must be restored, balancing it with the imports and donations required, as a basis for achieving an adequate supply for the population.

The program will not only call for food production, but will also deal with the problems of access to food by the population groups that are now severely stricken by hunger and malnutrition. The nutritional training processes must be intensified, so that the population in general and the vulnerable groups in particular may be able to benefit from all the food resources available in the country.

b. Objectives of the Program. The objectives will be the following:

- To guarantee the domestic supply of basic foods and raw materials derived from them for the country's agrofood industry.
- To develop and put into operation mechanisms for access to food consumption on the part of the population groups that are vulnerable from a nutritional standpoint.
- To create a balance between production and donated and imported foods, thereby allowing for an orderly development of the national production, so that it will not be replaced under circumstances wherein production could exist.
- To serve as an instrument to coordinate the public institutional efforts in support of national food production.
- To promote the intervention of the various productive sectors in the country's agrofood production.
- To guarantee that the projects to be executed will maximize the generation of employment and access to basic foods for vulnerable groups, and that they will support the balance betweeen production and external contributions.
- To provide nutritional training so as to facilitate the food resources available in the country.

2. Traditional Exports Consolidation Program

a. Grounds for the Program. It is an urgent, priority requirement to develop and support legal, technical, credit, financial, and fiscal action, as well as specific incentives, that will guarantee the consolidation and suitable operation of the traditional export sectors, giving priority to coffee, bananas, livestock, and lumber.

b. Objectives of the Program. The objectives will be the following:

- To create the legal, technical, credit, and fiscal conditions and incentives to consolidate traditional export items.
- To back agroindustrial development related to traditional export items.
- To back the processes of generation and transfer of technology that will guarantee the competitiveness of these products on the international market.
- To consolidate and support joint action between the public and private sectors for the execution of those efforts.
- To facilitate the creation of opportunities for alternative investment opportunities for individual or organized producers who may wish to enter other production areas.

3. Nontraditional Exports Promotion and Development Program

a. Grounds for the Program. Over the next 4 years it will be necessary to identify, develop, promote, and consolidate a select group of items with agroexport potential that could be effectively incorporated in the country's export items.

The program is intended to identify and facilitate the agroentrepreneurial development of individual or organized producers interested in investing and jointly investing in the execution of such activities.

The program will also facilitate the operation of public institutional systems in the initiation of the required activities.

b. Objectives of the Program. The objectives are the following:

- To identify and zone a select group of items for the state's concentrated action in support of private enterprise, so as to execute these activities.
- To create the technical, legal, credit, and fiscal conditions and incentives that will foster the development of such items.
- To back the development and transfer of technology to benefit the producers included in the program.
- To develop support systems aimed at incorporating organized small producers into the process, through direct backing and the promotion of joint investment and joint management with agricultural business owners.
- To simplify institutional action in the execution of these programs, so as to facilitate the initiation of the projects as quickly as possible.
- To seek coordination between the public and private sectors in carrying out those programs.
- To develop and reinforce the mechanisms for identifying and planning opportunities for investment in the selected areas.

4. Agroindustry Promotion and Development Program

a. Grounds for the Program. It is necessary to generate the largest possible volume of employment in the sector, and in directly related activities, which will also integrate a maximum value added into raw materials of agricultural-livestock origin. This will allow for a substitution of imports, the generation of foreign currency through exports, and an improvement in the rural population's income levels.

b. Objectives of the Program. The objectives are the following:

- To promote rural agroindustrial development as a basis for supplying added value to raw materials from this sector.
- To create the legal, technical, financial, credit, and fiscal conditions and incentives for generating the respective activities.
- To back the development of agroindustrial production zones, as a basis for the development of urban-rural integration areas, founded upon the rendering of municipal services.
- To provide financial backing for agroindustrial development, through the fund for agroindustry development, which will operate through the different programs currently being executed.

- To develop agroindustrial technological training programs.
- To identify and promote opportunities for investment in the agroindustrial field, for purposes of internal development and external promotion.

5. Reformed Sector Reconversion Program

a. Grounds for the Program. There is a need to restructure the reformed sector's enterprises which have for so long remained in a state of economic debilitation, and to convert them into genuine mechanisms for commercially efficient production capable of operating on terms of equality and association with other productive sectors.

b. Objectives of the Program. The objectives are the following:

- To reconvert the reformed sector's enterprises both technically and economically.
- To provide technical and economic backing for the productive reconversion of the enterprises, based on financial criteria and shared responsibility.
- To back and facilitate joint investment and joint management of the enterprises incorporated into the reconversion program.
- To provide financial backing for the productive reconversion of the enterprises in the reformed sector.
- To coordinate the technical and economic training required for the enterprises subject to reconversion.

6. Forest and Environmental Development Program

a. Grounds for the Program. It is a high priority to evaluate, utilize, and conserve the country's forest resources based on the principles of forest organization and multiple use, that will ensure the preservation of the resources and the participation of the state, private sector, peasants, and municipalities. Priority will also be given to reforestation for energy, industrial, and water production purposes.

b. Objectives of the Program. The objectives are the following:

- To ensure the long-term utilization and output of forests, based on the criteria of profitability and market economy.
- To consolidate the forest social system, through the use of the resources, with integrated agroforest management areas.
- To integrate the management and use of natural resources for the people's benefit, through a sectorial coordination of the agricultural, agrarian, and forest policies.
- To absorb rural and urban residents on a mass scale for employment, through the implementation of massive reforestation projects.
- To generate greater value added through the implementation of an accelerated policy to promote and develop the primary and secondary processing industry.
- To reestablish the ecological balance through the restoration of watersheds, and the management of wild and recreational areas, so as to preserve the environment and improve the quality of life in both urban and rural zones.

7. Industrial Promotion and Reconversion Program

a. Grounds for the Program. It is necessary to develop and reconvert the country's industrial sector, based on dynamics that will project it competitively and efficiently on international markets.

Honduras cannot continue to have an industrial development system in which the national industry is unable to compete with its products on international markets and, at the same time, supply national consumers with quality products comparable to what they wish to consume, given the flows and interrelations of international trade at present and in the foreseeable future.

Moreover, the industrial sector must definitively contribute to the processing of national raw materials in order to generate added value, and must also be a real contributor to the national employment so sorely needed by the country.

B. Objectives of the Program. The objectives are the following:

- To promote industrial development based on the concept of industry's integration into the channels of international trade.
- To devise and put into operation the technical, legal, and financial bases, and investment, that will allow for the development of a competitive, efficient industry.
- To develop optional programs for shareholding and joint investment among the different groups comprising the industrial area: employees, business owners, suppliers of raw material, and purchasers of finished products.
- To promote and put into operation specialized mechanisms for locating industries in areas that will facilitate the use of both internal and external raw materials as a basis for generating employment in the industrial sector.
- To foster the development of industries that will use national raw materials of agricultural-livestock and forest origin, so as to lend them added value and generate permanent employment.
- To encourage and facilitate vertical and horizontal integration, particularly among the sectors utilizing and promoting the production and use of national raw materials.
- To foster the development of microenterprises, through special programs for promotion, financing, and technical, administrative, and financial training, based on democratization and participation.
- To provide technical and financial backing for the country's industrial reconversion, as a basis for improving the national industry's quality and competitive capacity.

- To support the industrial sector and its institutions in promoting investment and entrepreneurial, industrial, agroindustrial, and forest-industrial development.
- To establish a suitable macroeconomic environment, from a monetary and fiscal standpoint, capable of facilitating and promoting industrial development in its broadest form.
- To coordinate, simplify, and clarify the institutional framework necessary for the development of the agro-industrial sector.
- To encourage improvement in the relations between employees and employers, in a context of labor justice and equity, with economic competitiveness and technical and productive efficiency.
- To support and promote technological training and development processes, so as to facilitate the country's development and industrial reconversion.

8. Tourism Development Program

a. Grounds for the Program. There is a need to develop tourism enclaves that will make use of the basic infrastructure.

The country must take advantage of the progress of detente among the superpowers and the regional pacification process so as to truly exploit its tourism potential.

As a main element in national tourism development, an effort shall be made to promote the national private sector's active participation, and to provide to those wishing to invest in this area the necessary security to enable them to do so for the country's benefit. Encouragement will be given for the active participation of national investors in this activity.

b. Objectives of the Program. The objectives are the following:

- To consolidate and support joint action between the public and private sectors on behalf of the development of tourism.
- To guarantee the provision of the necessary basic infrastructure in the priority areas of tourism development.
- To create the technical, legal, credit, and macroeconomic conditions that will foster investment in and development of the national tourism sector.
- To reinforce and consolidate the current tourism development areas, especially those already identified as high priority, as a measure for initiating the takeoff of tourism.
- To devise and execute a campaign to promote and market Honduras as a tourist destination in the United States and other developed countries in which tourism originates.
- To expend substantial efforts for training in tourism, as a mechanism for improving the level of national tourism services.
- To promote and improve the basic infrastructure that will support tourism development.
- To devise and put into operation a clear, specific legal framework for the development of joint tourism investment between national and foreign investors.

9. Infrastructural Improvement Program

a. Grounds for the Program. It is based on the different types of infrastructure that the country requires for balanced development.

The infrastructural improvement program will seek to balance the development of new facilities with the rehabilitation and maintenance of the existing ones, as well as the social type of infrastructure with the productive one.

The program will include the following subsectors: telephones, roads, electrification, sewerage, and waste (garbage) management. With regard to water, it should be stressed that this resource will be given special treatment, owing to the need for harmonizing its urban, industrial, and agricultural use in its various forms.

b. Objectives of the Program. The objectives are the following:

- To initiate the implementation of a long-term policy of balanced development of the basic infrastructure necessary for orderly territorial development.
- To coordinate effectively the processes for planning and executing the development of the basic national infrastructure between the public and private sectors.
- To develop alternative private mechanisms for the maintenance and provision of public services and infrastructure in instances where conditions require and allow for this.
- To prioritize and organize the supply of basic infrastructure territorially, based upon the requirements for national development.
- To involve actively the private sector, private development organizations, and municipalities in the processes of planning, providing, managing, and maintaining the country's basic social and productive infrastructure.
- To develop additional basic infrastructure for airports and seaports, so as to facilitate the promotion of exports and the handling of imports.
- To develop specific projects for managing irrigation and drainage, depending on the country's requirements and those for its territorial development, based upon clear, specific priorities.
- To improve the basic social infrastructural services in the leading population centers.

10. Mining Development Program

a. Grounds for the Program. Despite its importance, from an economic standpoint, the mining sector has been in a state of neglect and debilitation for several decades.

The program is aimed at reactivating the national mining industry, and initiating a real, sustained process

of modernization and reactivation as an addition to the generation of employment and foreign exchange, based on a policy to make rational use of the country's nonrenewable natural resources.

The program proposes a differentiated policy for each of the country's four mining subsectors, depending on their technical, social, economic, political, and institutional features. Such a policy would make it possible to overcome the institutional fragmentation, politicization, bureaucratization, lack of investment and technology, limited national processing, absence of financial backing and of a suitable legal base, and physical access problems, and the mining sector's lack of integration with other productive sectors.

b. Objectives of the Program. The objectives are the following:

- To promote and give an incentive for national and foreign investment in the exploration and exploitation of the national mining resources.
- To suitably prioritize polymetallic mining and that of nonmetallic ores, with the latter aimed at the local and Central American markets.
- To back the development of basic infrastructure, especially for access to zones with mining potential.
- To promote and execute the national mining stocks insofar as possible, as a basis for encouraging investment in the sector, executing and supporting activities of a technical and economic type required for achieving investments.
- To develop differentiated policies for polymetallic, nonmetallic, local expert, and energy mining, depending on their features.
- To restructure the organizational, functional, and legal public sector, in an effort to facilitate national and foreign investment.
- To give an incentive and backing for the contribution of added value in the national mining sector, through local expert mining and the manufacture and manual development of products stemming from such efforts.
- To devise the tax, legal, and fiscal frameworks for foreign currency management and other conditions for making national mining exploitation attractive.
- To promote and reactivate exploration for hydrocarbons and coal as a basis for establishing their real potential and contribution to national development.
- To foster private and public financial backing for the mining sector.

11. Fishing Development Program

a. Grounds for the Program. There is a need to ensure that the fishing sector becomes systematically incorporated into the generation of employment, revenue, and foreign currency for the country, from the standpoint of both manual and industrial exploitation, given the plentiful biological resources existing in our waters. This national resource must be developed systematically, thereby avoiding the risk of jeopardizing it or, worse still, not exploiting it suitably for the benefit of the country and future generations.

b. Objectives of the Program. The objectives are the following:

- To convert the country's ichthyological exploitation, in all its components, into a major aspect of national development and of the nation's economic reactivation.
- To retrieve national sovereignty over our territorial waters, the exclusive economic zone, and the continental shelf of the Caribbean Sea and Pacific Ocean, and all the rights due the country in accordance with its historical development and international agreements.
- To plan and execute studies of a technical, financial, or legal nature that may prove necessary to ensure the country the genuine benefit of its rights in this area, and the rational exploitation of these resources both in the Atlantic and on the country's southern coast.
- To incorporate the largest possible number of persons into the exploitation of these resources, through organized plans and projects, with a view toward long-term investment. To foster the development of productive units, including aquicultural exploitation as an integral part of their permanent activity.
- To promote the rational exploitation of aquiculture, in accordance with the environment and its self-supported management.
- To promote the consumption of aquatic products of different origins as a means of improving the national diet and creating a permanent national demand for such products.
- To protect, in particular, the watersheds that contribute largely to the production of water for purposes of ichthyological exploitation and the production of aquatic fauna for sports purposes.
- To combat the pollution of rivers, lakes, ponds, and the sea, in order to protect the development of the species inhabiting them.
- To seek and procure support from friendly governments in the effort to protect our ichthyological resources, actively combating the illegal exploitation of those resources by nationals and foreigners.
- To integrate the policies and activities in the areas of tourism and ichthyological development as a means of rationalizing the sports use of these resources, promoting recreation, and fostering internal and external tourism.

1.2 Policy in the Social Area

a. General Objective. To raise the standard of living and welfare of the Honduran people, through action for total development, in a context of democracy and respect for human dignity.

b. Policy Measures. To establish a model of overall, equitable,effective, and efficient development, based on local development systems.

To foster social participation, interpreted as the process of intervention by the organized population in the deliberations and decisionmaking associated with the assumption of responsibilities, and in the meeting of obligations stemming from the use of their decisionmaking authority. This means the redistribution of knowledge and power in the community.

To promote the development of leadership and management capacity as a requirement for the necessary decentralization and/or deconcentration in the local planning of overall development.

To create a coordinated system for the execution of activities in the social area, on both the national and local levels. They will be incorporated into the different areas of the social sector, and the programs aimed at reinforcing civic, moral, and cultural values in Hondurans. Specific preventive programs will be carried out to foster family integration, making the family a guarantor of the social order.

Identification of Social Sectorial Programs

The serious crisis being experienced by the Honduran people has increased their poverty. This situation requires the implementation of an emergency social program that will definitely assist the vulnerable family groups in surmounting their predicament.

This emergency social program will be carried out through temporary projects, each of which will be an integral part of the programs identified subsequently.

The foregoing entails the creation of an emergency social fund to accrue the results that are to be expected from the specific projects to be executed, aimed at: 1) generation of massive employment; 2) supplementary food; 3) specific occupational training to generate immediate jobs; and, 4) preventive health packages for the young and old members of the most vulnerable groups.

The Emergency Social Program is not intended to make the poor person a beggar of the state. It is intended to help him surmount his temporary crisis in a decent, permanent manner, so as to make him a human being with self-respect who will contribute positively to the nation's development.

Based on the conviction that we must consider the human person to be the subject and factor for development, the general programs in this sector, including the emergency projects, will cover the following areas:

Family:

This program is based on policies, measures, and activities to make possible the consolidation of a family model based on principles of human dignity, morality, responsibility, mutual respect, and justice, that will facilitate the total welfare and formation of a Honduran who is autonomous, creative, participatory, and committed to his reality.

Employment:

The generation of employment will be regarded as a central element in the battle that we shall have to wage on behalf of the eradication of poverty and malnutrition. That battle will be a vital part of the process of change to be implemented in the overall operation of the economy. It is a pledge of the New National Party to generate emergency and permanent employment as a priority mechanism in the economic reactivation programs.

Education:

Education is a preeminently social process whereby individuals and groups appropriate the assets of the culture in order to make the best contribution to the society's overall progress. The party is of the opinion that education must serve as an instrument for transformation to development, and must be given priority attention as an expeditious path toward the social justice and socioeconomic welfare that the Honduran people require.

Health:

Social, political, and economic systems must be in the service of humans and their development, which is the result of the coordination of multisectorial interrelations gauged in terms of welfare and health. Hence, the human group transcends the biological connotation and is complemented as a social notion; and health is an object and subject of development.

The activities will be aimed at assuming, with complete responsibility, the national commitment to "Health for All in the Year 2000."

Human Habitats and Housing:

We interpret "human habitat" as the pattern of occupation of the territory that appears as a result of the process of populating the national space. This process implies different types of use, organization, and transformation of the natural environment in which this habitat occurs. That fact makes it possible, for analytical purposes and based on these specific features, to distinguish sociospatial units different from one another, that is, different "types" of human habitats.

Culture:

This program is aimed at retrieving our identity through coordination between generations, the reinforcement and recovery of values and of both individual and national patrimony, and the promotion of sports, recreation, a civic spirit, art, and manual arts, taking into account the combined needs of all the inhabitants. It is directed toward integrated development, allowing for the combined action of the different sectors (news media, education, international cooperation), and respect for the national culture.

1. Employment Program

a. Grounds for the Program. There is a meager capacity for employing those entering the economically active population day by day, who find no opportunity to work, whether for lack of jobs or of skills that would enable them to meet the requirements of a modern world.

It is also important to point out that the change demanded by the nation will most likely require a reconsideration of the features and necessities of employment in the country, on both temporary and permanent levels. Furthermore, there is a need to develop employment skills, not only in the public sector, as has been done up until now, but in the private sector as well.

Moreover, the critical employment situation facing the country requires the development of Emergency Employment Programs that will facilitate the transition to the reactivation and modernization of the national productive system, and will fully compensate for any temporary maladjustment that might occur during the transition process.

b. Objectives of the Program. The objectives are the following:

- To include in all public activities the generation of permanent and emergency productive employment, as a constant, undeferrable commitment of the government to its people.
- To reinforce and promote the capacity of all the private productive sectors to generate permanent and temporary employment.
- To boost activities involving the processing of national raw materials as a basis for the generation of productive employment, through agriculture, agroindustry, forest industry, tourism, other industries, and any activity which, in fact, can generate productive employment.
- To foster technologies that will use the available labor in the country to the maximum extent, without losing competitiveness and productive efficiency.
- To intensify and promote the improvement of the minimum wage scale in effect, so as to adapt it to more favorable conditions, with respect for the law and for the labor negotiation mechanisms existing in the country.

2. Educational Improvement Program

a. Grounds for the Program. Education must be democratized, with communities, educators, and students participating actively in the development of the educational sector, so that it will not only train Hondurans academically and technically, but will also afford them an ethical and moral development in keeping with a genuine national identity.

b. Objectives of the Program. The objectives are the following:

- To promote a democratic education, within the reach of all, without discrimination based on economic, social, political, cultural or religious reasons.
- To preserve, support, and advance the scale of ethical, moral, and cultural values comprising the nation's identity, through the integration of education with the family.
- To provide the foundation for a dynamic relationship between students and educators, school and community, thereby allowing for the active participation of all sectors in the educational process.
- To promote and develop a curriculum that will prepare all Hondurans to understand and project a modern society based on science and technology, at all times linking educational activity with productive work and creativity.
- To improve the quality and quantity of the educational factors, through community participation, with the latter backing the processes of administrative control, school supervision, teacher training, and supplies of physical, material, and financial resources.
- To link closely the scholastic with the nonscholastic system, so as to foster cooperation between the two and to guarantee homogeneity of purpose, aimed at individual and social development.
- To reinforce the training of urban and rural community leaders, so that they will direct community activity toward self-development.

3. Health Improvement Program

a. Grounds for the Program. In the natural course of social experience the health-sickness phenomenon has complex, fragmentary, conflicting, and dependent historical features. It is imperative to assess the prescriptions and results and, from a strategic standpoint, devise activities that can guide the direction of the services system toward social equity, impact, efficiency, and participation. It must be recognized that the health problem is not isolated, and will be solved only insofar as progress is made in an overall growth process.

The program is based on the active participation of the community's private sector, coordination of public action in the health sector, and improvement in the sectorial physical and operational facilities.

Moreover, given the increased demand for services in comparison with the state's capacity for providing them, there must be improved planning, administration, and management of the country's health services, to guarantee maximum, efficient use of the available resources.

b. Objectives of the Program. The objectives are the following:

- To develop a new model of management for the health sector, based on extensive participation by the local systems as an integral part of the country's community and municipal development.
- To develop the strategy for primary care as an overall health policy to readjust, appropriate, regroup, and redirect resources for meeting health aspirations

through the respective levels of care and their complexity.
- To develop and improve the capacity to manage and administer health services, with decentralization and deconcentration of health services and related areas.
- To coordinate health services with the infrastructural services associated with cleaning the environment and enhancing the quality of life of the country's inhabitants, to improve and maintain the physical facilities and the supplies of medicines, components and health equipment for the service-producing units.
- To foster policies of intersectorial coordination and integration that will facilitate the implementation of health programs.
- To establish the following as priority groups: children under age 5; women who are pregnant or of fertile age; the child-youth population; the working population; the aged population.
- To establish the rural sector and the outlying urban zones as priority areas.

4. Human Habitats and Housing Program

a. Grounds for the Program. The country must become territorially organized, so as to prevent, insofar as possible, a disorganized, scattered development of the present population groups, as has occurred in the cities of Tegucigalpa and San Pedro Sula, where there is a lack of suitable infrastructure and of basic services for maintaining the quality of life of their residents.

Territorial organization will also be an integral part of the balanced development of the basic infrastructural system necessary for promoting economic and social activity in the country's various geographical zones.

b. Objectives of the Program. The objectives will be the following:

- To reorganize the system of human habitats by developing the regulatory framework necessary for all urban development, harmonizing it with the basic policies for national development.
- To reinforce and promote intermediate urban centers, as a means of decongesting the country's traditional urban centers.
- To promote, coordinate, and execute alternative systems that will make it possible to begin the nucleation process in the present human habitats.
- To devise measures aimed at organizing and harmonizing the use of urban-rural land resources.
- To devise and enact measures aimed at providing housing, drinking water, clean environment, recreation, and other basic infrastructural services, with extensive participation by the private sector and the communities.
- To coordinate action for providing basic infrastructure and improving the urban environment with the communities and the private sector.
- To develop joint efforts between the central and municipal governments aimed at a real organization and improvement in the urban and rural environment.

5. Family Welfare Program

a. Grounds for the Program. It is necessary to surmount the crisis being suffered by the Honduran family at present, prompted by modernization and rural-urban migration, a situation that has created and required new roles for the various members of the family group.

The family is the primary human socioeconomic group. This program considers it the mother cell of the nation and, as such, it must be reinforced, because the search for justice, and for the social, political, and economic stability of the nation, is based on the family model that it has. Only with a solid, strong family base can the nation set forth in search of a real, permanent, social order and development. As may be observed, the efforts to be expended are not isolated, but rather part of the combined efforts to develop the nation's social sector that it is planned to carry out.

b. Objectives of the Program. The objectives are the following:

- To reinforce a model of family development based on the fundamental principles of ethics, responsibility, mutual respect, cooperation, and justice, within the context of the most concrete, and pure cultural base and national identity.
- To develop and form an autonomous, creative, participatory citizen, committed to the country and its future, and especially to a clear identification of what the Honduran existence and nation represents.
- To develop family integration, through the coordinated action of the state, and both private and community social institutions.
- To involve the participation of the family and community in the development of family welfare, through suitably coordinated joint action.
- To give high priority to child and youth development as a basis for the country's strategic development, since these human resources are the basis for the nation's future.
- To mobilize the channeling of national and international resources toward child, youth, and family development.
- To intensify action aimed at the recovery of children and youth at risk and in crisis, in a context of overall family development.
- To ensure implementation of the appropriate legal instruments to guarantee protection of the family and its members, in a context of honest, equitable, and effective justice.
- To lend preponderant support to families stricken by poverty, and others lacking sufficient capacity for providing full development to their children.

6. Cultural Patrimony and National Identity Restoration Program

a. Grounds for the Program. There is an urgent need to restore, for the present and future generations, the patrimonial, physical, moral, psychic, cultural, and intellectual bases of Honduran existence and nationality.

Moreover, the restoration of the national culture and identity are central to the overall development of the nation, because these concepts are inextricably linked to the welfare, social justice, independence, sovereignty, education, production, and moral health of the nation.

The restoration of the culture and identity of the Honduran existence and nation will put the cultural policy in a wise, genuine interrelationship with the objectives of development and cultural values. This is part of an intergenerational effort that will make possible the cultural changes that we Hondurans want to make in the interpretation of our past, our organizational life, and our concept of the Honduras of the 21st century.

b. Objectives of the Program. The objectives are the following:

- To foster sentiments of solidarity and love of country in the national community, that will boost the nation's peace and welfare.
- To encourage, promote, and develop sports and recreation as a means of fostering the population's physical and mental health, and its welfare.
- To integrate culture with educational and cultural programs, so as to facilitate its dynamization and dissemination.
- To facilitate generational reunion as a means of restoring the national and cultural values basic to our identity.
- To use the country's news and informational media to promote and convey cultural values, and to incorporate them into the educational process.
- To put international cooperation in the context of promotion and respect for the national culture and identity.
- To retrieve and disseminate the nation's culinary, physical-historical, cultural, intellectual, and folk patrimony as a basis for the development of patrimony and its use to encourage internal and external tourism.
- To develop appropriate physical facilities for the promotion of culture and sports.
- To foster and support research on the country's cultural historical patrimony, so as to reinforce and consolidate the image of the nation and its existence, based on the historical-cultural capacity of the nation's values.
- To develop, protect, and use the geographical areas of historical interest, with cultural and tourism value, as part of the national patrimony and identity.
- To reorganize public activity in this area, coordinating it with the national private activity and, in particular, with community activity, through municipalities and other organizations for the promotion of the national culture and identity.
- To devise legal regulations that will make it possible to protect the nation's physical and cultural historical patrimony.
- To coordinate the activities of the various state agencies associated with the nation's cultural development, especially the Social Welfare Board, the Ministry of Public Education, and the country's news media.

7. Social Security Program

a. Grounds for the Program. The country needs to have a social security system that is administratively and legally structured so as to enable public and private social assistance and insurance institutions to operate in a coordinated fashion. Its purpose would be to expand the population coverage, and the general nature and sufficiency of the benefits, thereby preventing a waste of financial, logistical, and human resources, and the monopoly thereof.

b. Objectives of the Program. The objectives are the following:

- To increase the coverage of care offered, with a qualitative and quantitative improvement in the benefits and services provided, through vertical and horizontal extension policies.
- To create legal, organizational, and coordinating bases that will guide, regulate, and streamline the operation of the social security systems.
- To fulfill and see to the fulfillment of the state's commitments to the social security systems, so as to guarantee their efficient operation.
- To devise procedures for the management and investment of financial resources that will make it possible to consolidate the financing of the national social security systems.
- To analyze and regulate the flexible creation of new social security systems, so as to avoid duplication of effort and spending.
- To reinforce the social security institutions' social services and participatory community work.

8. Rural Development Program

a. Grounds for the Program. There is a real necessity for promoting the development of the rural sector's underprivileged inhabitants, in order to combat the scourges of malnutrition, poverty, and unemployment currently besetting the country's poor rural sector on a mass scale.

The elimination of malnutrition, poverty, and unemployment in the rural sector is a task incumbent on all Hondurans, relying especially on the support of those with the cultural and economic capacity to help the people lacking it.

Up until now, rural development has been considered an almost exclusive task of the state and, as such, it has been

a preeminently paternalistic and centralist task, bringing results that are clearly obvious: a poor, debilitated, and dependent rural sector.

Moreover, it is believed that the rural development program, in conjunction with the policy of municipalization and citizen participation, will restore to the individual in the poor rural sector the capacity, not only to wait for something to be done for him, but also to do something for himself.

Emphasis should be placed on the importance of realizing that rural development policies depend on the coordinated effort of the various programs comprising this plan which, as such, reinforce the capacity of the specific efforts on the part of the different communities seeking their own solutions.

The rural development policy is based on three central elements: an improvement in the capacity for access to productive resources, the development of a suitable economic and productive capacity, and the communities' participation in solving their own problems.

b. Objectives of the Program. The objectives are the following:

- To facilitate access for the rural sector's poor groups to productive resources, through the procedures stipulated in the existing legal framework and others deemed relevant.
- To coordinate the return of the management and use of forest and marine resources to the municipalities, through the concentrated action of the communities, based on clear-cut criteria of rational exploitation, harmonized use, and self-support.
- To integrate the use of natural resources for rural development, through the reinforcement of the forest social system.
- To decentralize resources and the rendering of services in instances and circumstances wherein municipalities, peasant organizations and groups, and private organizations can demonstrate their capacity and suitability for discharging these functions, and to reinforce those organizations so that they may become responsible for these efforts.
- To create suitable mechanisms for financing rural development, based on criteria of human advancement and economic efficiency, aimed at developing the productive capacities of the beneficiaries as an initial driving force to improve their standard of living.
- To back the development and application of technologies aimed at food security and the generation of productive employment, through rational use of the available resources.
- To develop and integrate rural agroindustries with the capacity for management and rendering of services in the municipalities, as an essential basis for their location in the rural environment. To foster the processing of national raw materials, and to generate employment and income in the rural area.
- To gear the existing educational systems to the needs of the rural environment, through close contact between the rural community and the educational processes, as well as technical vocational education for adults.
- To closely coordinate the processes of democratization, municipalization, and decentralization of decisionmaking, as well as the executive capacity of the different rural communities.
- To reinforce and promote the social sector of the rural economy, through an efficient implementation of the existing legal framework.
- To train human resources for the administration and execution of activities carried out for the benefit of rural development.

1.3 Policy in the Institutional Area

a. General Objective. To redefine the government's role and to adapt public administration to the role incumbent on it to achieve the goals of the state, facilitating its interaction with the society and with the international environment.

b. Policy Measures:

- An office shall be assigned for the study, analysis, and preparation of plans for administrative development or administrative reform; the introduction of innovative approaches and technologies for formulating public policies; backing for decisionmaking processes; strategic analysis and planning; the evaluation of institutional performance; and the administration of investment projects.
- A constant effort shall be maintained to analyze public administration, making it possible to put into effect and to evaluate the measures for improving, streamlining, and modernizing the organizational structures.
- An incentive shall be given for the spirit of investigation, aimed at the study and planned change of public administration.
- Structural, economic, and social reforms shall be implemented, as well as those necessary for eliminating duplication and correcting neglect of duties in the state organization.
- The bureacracy in public administration shall be reduced, through action leading to the simplification of procedures and the abolishment of those with negative implications for users.
- The decisionmaking process shall be decentralized on all levels of public administration.
- Permanent mechanisms shall be established to receive and resolve charges made by those considering themselves to have been harmed by the government's action. Citizens shall participate in suggesting innovations that will reduce or eliminate bureaucratic obstacles.

- Organizational methods shall be adopted for sectorialization, deconcentration, and decentralization, as well as reinforcement of municipalities.
- Studies shall be made to determine the operativeness of public enterprises and to carry out the necessary distribution of public administration entities and functions.
- An incentive shall be given for human relations and good treatment to users of state services. The image of the operation of public administration shall be reflected in the treatment or attention given to the user.
- The function of training and qualification of public servants shall be reinforced, with the development of modern skills for both management and administration in general, to promote heightened productivity, efficiency, and quality in services, based on citizens' demands.
- Training programs shall be devised in accordance with the priority requirements for development and, simultaneously, to motivate and foster conduct that will reinforce ethical and moral values in public service.
- A personnel policy shall be established through a system of admission based on competition, redistribution of personnel, and a schedule for promotions, training, and awards.
- The role, mission, and objectives of state and mixed capital enterprises shall be defined and clarified, as shall the government's expectations regarding their performance.
- Institutional bonds shall be established or improved between the government and the enterprises, to ensure that their management is serving the purposes of the development policies.
- Studies shall be made of a reduction in operating costs and expenses, to make the prices and rates of enterprises whose activity has direct repercussions on the economy more competitive. In addition, the use of subsidies that divert funds from the state or burden society shall be eliminated.
- Criteria, parameters, and indicators shall be established to evaluate both the entrepreneurial performance and the action taken by the entities, compared with the expectations of society and the state. Accountability shall also be required of board members for the results of their management.
- A management and information system shall be set up on the highest level of the nation's magistracy.
- National planning shall be reinforced through the exercise of planning on the sectorial, departmental, and local levels.
- There shall be a concentration of functions inherent in the process of budget formulation and execution.

Identification of Basic Sectorial Programs

Reform of Public Administration. A review must be made of the role of each state entity, using criteria of administrative rationality based on principles of administrative efficiency and effectiveness. For this purpose a restructuring must be undertaken in public administration, so as to make it serve as an irreplaceable instrument for taking the action incumbent on the public sector.

Administration of Justice. The Judicial Branch is the one responsible for imparting justice, a power emanating from the people to guarantee the rule of law, based on the fact that the human person is the supreme end of the society and the state, whose rights must be preserved with equality before the law, free access to courts, defense of his rights, and swift justice. Achieving these principles will require prompt action and reforms of the judicial system, converting it into an instrument of personal development and security: the basis for the democratization of Honduras.

Legislative System. Since the Legislative Branch is the organ responsible for preparing laws, it requires new working systems and methods, so that the legislation issued will be precisely analyzed and debated in depth by the parties involved. The purpose of this is to ensure, in cases of conflict, that the conscious, carefully weighed view of its real potential for execution prevails.

1. Grounds for State Administrative Reform

a. Grounds for the Program. Public administration must be given the technical efficiency and administrative flexibilty of a modern state.

At present, there is an acknowledged duplication of effort, lack of a genuine definition and operativeness among the sectors for planning and executing state action in an orderly manner, and a lack of legal bases for a rational organization of activities.

In fact, what is operating is a group of elements acting in an isolated manner. Their systematic operation requires the issuance of standards, the establishment of mechanisms for interaction, an appropriate structure, and the creation of a suitable technical, legal, and administrative environment.

b. Policy Objectives. The objectives are the following:

- To make public administration more efficient, through the reorganization of the state apparatus, based on fulfillment of the national objectives and their adaptation to cope with society's demands.
- To streamline functions, structures, and work procedures, so as to achieve an optimal relationship between the resources to be used and the results to be achieved.
- To seek greater citizen participation on the appropriate levels, so as to meet society's demands insofar as possible.
- To restore to the central government's institutions their true role associated with its regulatory, managerial, supervisory, and control functions, as respective entities for sectorial coordination.
- To coordinate and lend political and operational consistency to the activities of the central government

and the decentralized state agencies, as the basis for the efficient action of the state as a whole.
- To carry out a process of debureaucratization, deregulation, and distribution of functions in the instances wherein this is required, seeking a stronger link between the government and the people.
- To concentrate governmental activity on sectors, actually granting each state secretary the planning authority stipulated by law.

2. Administration of Justice Program

a. Grounds for the Program. It is based on the fundamental necessity for providing the administration of justice required by the democratization process, through action to impart prompt, fitting justice, based on guidelines of indisputable integrity and impartiality.

b. Policy Objectives. The objectives are the following:

- To develop and improve the processes for the administration of justice based on standards and procedures that will guarantee its fair, expeditious implementation.
- To reinforce the process of modernizing the administration of justice.
- To develop administrative procedures for planning, budgeting, and controlling the national judicial agencies that will facilitate and accelerate their modernization.
- To restructure the national judicial system both organically and functionally.
- To reinforce the public defense institutions and the prosecutor's office in the courts.
- To improve and reinforce the judicial information and statistical systems, as a basis for appropriate implementation of the system.
- To improve the image of the justice system through the existing judicial and penal facilities, gearing them to the requirements of a modern judicial system with rehabilitation within the system. The police agencies must be prompted to cooperate with the courts of justice within the strictest legal context, and a Judicial Police Force must be created, with all its components: investigative, laboratory, and forensic.
- To develop a genuine procedure for the training, improvement, promotion, and selection of human resources for the national judicial system, through the Judicial School and the Directorate of Personnel Administration.
- To succeed in making the administration of justice an element for social and economic development, so as to achieve democratization and development.

3. Legislative System Reinforcement Program

a. Grounds for the Program. The legislative body, responsible for producing the country's legal standards, requires special dedication for organizing all legal and statistical information.

To achieve the foregoing it is vital to modernize and update the planning, managerial, administrative, and operational systems of the Legislative Branch and the institutions which, by their nature, are auxiliaries of this branch.

b. Objectives of the Program. The objectives are the following:

- To systematize and streamline the production of legal standards, by implementing a smooth-running information system for the planning, administration, operation, and monitoring of national congressional activities.
- To reorganize the offices attached to the Legislative Branch based on types of planning, administration, operation, and monitoring of activities consistent with modern management, through administrative training, for the revision and updating of its legal framework.
- To develop and implement information, analysis, and legislative monitoring systems that will facilitate the operation of the Legislative Branch, guarantee its efficiency, and intensify respect for it.
- To adjust the organic structures and functions of the agencies attached to the Legislative Branch in keeping with the new circumstances and requirements of a modern nation.
- To develop and implement personnel management systems that will guarantee professionalism, stability, and suitable pay among the entities supporting the Legislative Branch and among the auxiliary agencies.
- To make a qualitative and quantitative improvement in the Legislative Branch, in keeping with the national technical and economic requirements and possibilities that are consistent with the national democratization process.

4. National Court of Elections Reinforcement Program

a. Grounds for the Program. The National Court of Elections, an autonomous, independent body created to govern all electoral acts and procedures, with jurisdiction and authority in the entire national territory, requires substantial attention as a mechanism in the exclusive service of the democratization process.

b. Objectives of the Program. The objectives of the program are the following:

- To lend greater credibility to the court's decisions and to the production from the National Register of Persons, reinforcing the institutional capacity of the civil registry for issuing the sole identity card, and for taking and maintaining the permanent, public, national electoral census.
- To recognize the National Court of Elections and the National Register of Persons as preeminently technical entities, and to provide the necessary conditions and facilities for making them institutions free from political, sectarian, and partisan interference.

1.5 Municipal Reform and Citizen Participation: An Urgent Necessity

The central government has traditionally engaged in depriving the municipal governments of the vast majority of their functions, to the detriment of local development and the communities' commitment to their own development, leaving local development to the initiative and execution of central governments with increasing frequency.

The result has been the gradual disappearance of municipal services, caused by a reduction in the local tax collection capacity and the almost total elimination of the municipalities' management capacity, in most instances.

It is important to note that, at present, as a result of the centralism and interference of the national government, municipalities often do not even acknowledge themselves to be genuine local authorities. Worse still, they do not regard themselves as an integral and integrating part of the state's administrative structure.

It is impossible to help perpetuate an administrative policy requiring that problems, regardless of how minor they are, must depend on the initiative of the central government authorities for their handling and solution.

The results of paternalism and centralism are clearly evident: lack of initiative, commitment, and interest in solving local problems, and a high cost for the rendering of services through the central government. This cost is not only in direct funds, owing to the procedures that must be carried out to deal with any problem, but also in funds lost because an erroneous and sometimes more costly solution was given to simple problems.

Centralism is most costly to the society: It divorces the citizen from his authorities and from the solutions to his problems, and makes the state's action on behalf of those whom it claims to want to serve arbitrary and inefficient.

The foregoing has made it necessary, for the sake of economic efficiency and in order to foster the citizens' participation in solving their own problems, to restore to the municipalities the capacity to be actors in their own development, with full civic consciousness and a capacity for decisionmaking and execution.

The democratization process that the country is currently undergoing, as conceived in the Honduras of change, is proposed and interpreted as a truly democratic power, based on the coordination of wills and efforts; and this is the new municipal democracy.

Policies for Municipal Promotion and Development With Citizen Participation

The need for intensifying the participation of municipalities and citizens in the solution of their own problems has prompted us to propose the following policy lines for the promotion and development of municipalities in the country:

- To foster maximum participation by municipalities in local development.
- To foster, reinforce, and increase the participation of communities and their organizations in solving their problems, in a close relationship with the local governments.
- To decentralize services, transferring to the municipalities some of the responsibilities currently held by the central government.
- To reinforce the democratic process, granting municipalities autonomy in the election of authorities.
- To create the technical, legal, administrative, and financial conditions enabling communities to become managers and executors of their own development.
- To back local governments strongly in the processes to improve their organizational and operational structures, so as to develop, reinforce, and/or improve their capacities for rendering public services.
- To transfer economic resources from the General Budget of the Republic, on a permanent, secure basis, to the municipal governments, for the execution of community projects and the rendering of services.
- To develop programs for training in municipal planning, execution, and administration for the personnel of the country's municipalities.

2. Foreign Policy: Diplomacy for Development

The deep-seated conviction that the human person and his dignity are the essential reason for the state and the society, and that the only way of protecting and promoting him is under democracy, requires an intensification of the democratization process as a firm, irreversible commitment. The univocal concept of Central American democratization, which emerged as a response to the region's crisis, a primary result of a dissolute system of social injustice and alienation, must be the irreplaceable foundation for development and peace in Central America.

The principle of the continuity of states, despite the changes in government that may occur, has become more obvious with the advent and maintenance of positive factors for the complete fulfillment of Central American men and women, in a democratic, representative, pluralistic, and participatory environment. This entails the promotion of social justice, respect for human rights, sovereignty, and territorial integrity, and the right to free self-determination for the peoples of Central American.

Based on this perspective, firm support shall be consistently maintained for the establishment and operation of the Central American Parliament, as an instrument contributing to the democratization process shared by all the Central American peoples. Steadfast action shall be taken, as a factor for stability in Central America and, on that basis, as a catalyst of the forces and aspirations that may combine to reinforce, reactivate, and restructure Central American integration, which is viewed as an instrument that will make it possible to improve our peoples' standard and quality of life and, consequently,

to provide greater negotiating capacity in international relations for cooperation and trade.

We shall advocate an integration solidly backed by equitable distribution of profits, which will promote harmonious, balanced economic and social development for each state and for the region as a whole. Proper consideration shall be given to the status of Honduras as a relatively less developed country, and to the reaffirmation and consolidation of Central America's self-determination in its external economic relations.

It shall be advocated that integrationist activities should result from a strategy of steady development, necessarily including protection of the Central American environment and natural resources. Both will and effort shall be expended to make the Central American Commission on Environment and Development become a dynamic, functional entity, so as to attain the aforementioned goals.

Active good neighbor relations shall be maintained. An impetus shall be given, with all the Central American states, to Central American political cooperation and to the battle against drug trafficking and corruption, in the context of the regional democratization process that has been established and the integration based thereon.

In that spirit, and with mutual respect for the international status and sovereignty of the Central American states, a prompt peaceful solution shall be sought for all the remaining conflicts or differences.

The total, definitive demarcation of land and sea borders with the adjoining countries shall be a priority, with the reiterated intention of defending the territorial, economic, and cultural patrimony of the Central American states. Included in the first category are the territorial waters, the exclusive economic zone, and the continental shelf, so that the benefits from their use and resources will result in the overall improvement of their peoples.

Maximum efforts shall be expended for Central America to intensify its relations with the Andean Pact, the European Communities, and their respective member states, by way of cooperation in development, commercial exchanges, technology transfer, foreign investment, financing, industrial cooperation, political cooperation, and solidary backing.

Honduran bilateral diplomacy will give priority attention to these areas, with all the other American, European, Asian, and Midde Eastern states.

For this purpose, our presence shall be maximized, and action shall be taken in the international organizations, seeking to make optimum use of the potential that they offer for the development of Honduras.

There shall be an unequivocal reaffirmation of our constitutional responsibilities in the area of human rights, and consideration shall be given to the need to have more effective internal mechanisms for fulfilling them. For this purpose, democratic states and international human rights commissions shall be invited to lend us their support.

With the United States, an attempt shall be made to revive and reinforce our trade and cooperation, on bases that will guarantee a permanent, creative relationship of reciprocal benefit to our populations, founded upon mutual respect for sovereignty and on our status as a relatively less developed country.

Initiatives shall also be taken with Japan and Canada, and we shall diversify our relations with other states of the international community, in accordance with the principles and safeguards that shape a more constant international cooperation consistent with our sovereign development as an independent republic.

All this shall be implemented with a diplomacy preeminently in the service of Honduran development, whereby the Ministry of Foreign Affairs shall effectively ensure the coordination of the national services in their international relations. The entire Foreign Service shall be mobilized to put Honduras in a worthy position on the international scene, maintaining friendly relations with all countries. Concretely, there will be promotion of international economic relations, international financing, loans to the private sector, industrial cooperation with foreign business firms, scientific and technical cooperation with countries and organizations, foreign investment, and cooperation for the development of Honduras.

In short, the foreign policy shall be aimed at serving the national interest, contributing to the internal effort for Honduran development through a professional, modernized, pragmatic, creative, consistent, stable diplomacy, committed solely to the defense of Honduras and to the welfare and dignity of its people. Diplomacy for development shall be the new hallmark of the Foreign Ministry's action.

Identification of Foreign Policy Programs

Diplomatic Coordination. Internal coordination will be organized in the Foreign Ministry with other ministries and institutions, as well as external coordination to help execute the priority programs and projects for national development.

Professionalization of the Foreign Service. "Diplomacy for development" requires a professional, trained, motivated, and creative Foreign Service, with a deep-seated national identification and a full knowledge and appreciation of the problems besetting the country. The activities in this program will be aimed at achieving a service with these qualities.

International Cooperation and Cultural Projection Program. The country has traditionally received cooperation from other states and international agencies, the use

of which must be properly directed so that it will become increasingly efficient, and expand and diversify the sources of cooperation.

It is fitting and important for the country to project its worthy, active presence in this cooperation, ensuring mutual respect for sovereignty and the best use of the resources and instruments from these organizations to benefit national development. It must show a positive international image that will clearly reflect our cultural values and national identity.

Foreign Service Modernization. The coordination, professionalization, and projection of the Foreign Service can be achieved only if it is modernized, based on modern criteria for planning, work, and analysis of international problems that will facilitate communication between the Foreign Ministry and its operational units and organizations.

1. Diplomatic Coordination Program

a. Grounds for the Program. The activities of the Honduran Foreign Service must be arranged based on a concept of diplomacy for national development, wherein the Foreign Service of Honduras coordinates its activities in a modern, professional manner with the central objectives of national development.

The activities in the diplomatic coordination program will have three central cores: a) internal coordination on the Foreign Ministry level; b) coordination between the Foreign Ministry and the network of embassies and consulates, for which the system's professionalization and modernization are essential; and, c) coordination with and backing from ministries and institutions for the rational, orderly pursuit of national objectives.

b. Objectives of the Program. The objectives are the following:

- Internal reorganization, aimed at facilitating coordination on the central level in the Foreign Ministry, through a clarification of functions and areas of responsibility.
- Creation and operation of the necessary mechanisms to coordinate the country's foreign policy, in support of the action taken in that area by the authorized state ministries and institutions.
- Development of mechanisms for coordination and analysis of current conditions that will facilitate the analyses and decisionmaking by the state in cases of normal events and emergency situations. The aim is to accelerate and refine the country's capacity to respond to such situations.

2. Foreign Service Professionalization Program

a. Grounds for the Program. An effective, creative Foreign Service is required, in keeping with the dynamics that typify international relations in an interdependent world that is in a process of detente, seeking democracy, peace, and development.

The program is intended to give the Foreign Service and national diplomacy the technical, political, intellectual, and social tools capable of converting the Foreign Service into an effective instrument for the promotion of national development, constructing a true image for the country on the national, regional, and international level.

b. Objectives of the Program. The objectives are the following:

- To professionalize the National Foreign Service, attempting to recruit graduates of schools of diplomacy insofar as possible.
- To develop and recruit into the diplomatic profession specialists in other branches of learning relevant to national development, so that they may be able to advise the service's specialists in the areas of their respective expertise.
- To devise and execute training programs for Foreign Service personnel, in order to update, fully qualify, and improve the personnel currently serving the nation in the world.

International Cooperation and Cultural Projection Program

a. Grounds for the Program. It has become necessary to continue identifying, ensuring, and developing technical, political, economic, social, and cultural space in a world marked by interaction and active relations of a global nature among states, especially in geographical areas such as Central America. The foregoing proves the need for the country to develop a real capacity for dialogue, coordination, and negotiation, covering not only its bilateral action, but also its multilateral action, with emphasis on the type of action wherein the country, by virtue of its priorities, has identified areas of special interest.

It is important for the aforementioned action and relations to serve as the basis for the development of permanent activity to project the country's culture and image. Hence, it will be essential for them to be implemented based on a context of national inspiration and identity, that will identify the Honduran with his national reality and with the country's development objectives.

b. Objectives of the Program:

- To devise clear-cut strategies for reflection and technical, economic, political, and cultural action differentiated in accordance with the features and objectives that the respective country has or wants to develop.
- To reinforce the Honduran presence in the different international cooperation agencies, based on the needs and objectives of national development.
- To develop and maintain effective relations with all states and both public and private agencies cooperating in the nation's development.

- To coordinate with the cultural program the nation's projection abroad, and the formation of the basic concepts of our identity, which will have to be promoted in the search for and attainment of the nation's cultural projection on the regional and international levels.
- To actively promote Honduras' image abroad as a free, sovereign, and independent country.

4. Foreign Service Modernization Program

a. Grounds for the Program. The Foreign Ministry's professionalization programs must be supplemented, and modern techniques must be incorporated into the Foreign Service for planning, working, and analyzing international problems, as the basis for implementing a "diplomacy for development," with a capacity to respond to the international problems that the country will face in the future.

b. Objectives of the Program. The objectives are the following:

- To incorporate into the Foreign Service the processes of planning, administration, execution, and evaluation of activities, in keeping with modern requirements and the efficient use of the service's resources.
- To devise and execute information and data processing systems that must be integrated to meet the Foreign Ministry's political information requirements, and to provide the economic, technical, and social information required by other areas of national activity in pursuit of the country's development objectives.
- To develop the capacity to execute studies and prospective planning in the Foreign Service, as a basis for developing the capacity to foresee the changes that the country will confront.
- To provide modern communication systems that will allow for the efficient operation of the aforementioned elements and facilitate the integration of the network of embassies with the Foreign Ministry.

Epilogue: My Commitment to Change

27 January 1990 will mark the beginning of the nation's economic recovery, and of the reunion with our values and our identity. And, above all else, this will be the decade of the recovery of our sovereignty and our dignity, and of the consolidation of the democratic process in our beloved Honduras.

We are a mere 10 years removed from the 21st century; we are living in an era of economic, political, and social change that is modifying political beliefs and ideologies that all of us believed to be untouchable a few years ago.

Honduras cannot remain dissociated from the changes facing the world. To lag behind would mean condemning ourselves to a present marked by injustices and outrages, and dooming our descendants to a future of alienation, backwardness, hunger, unemployment, and economic dependence, becoming second class citizens forever. That is neither just nor tolerable, much less inescapable.

The Governing Plan that I have submitted adopts the philosophy of the New National Party, that of change, development, and a proud and prosperous nation.

I would like to think that what awaits us will be easy, but it will not; and that I could achieve it alone, but I cannot. Therefore, the support of all the people will be the best guarantee for the attainment of our objectives for national progress.

I am aware of the responsibility and the commitment that I am assuming to you and the nation. That is why I ask you to analyze this plan, and the kind of Honduras that it will help us to achieve.

I pledge before God, the nation, and the people that I shall faithfully execute the principles and programs that I am submitting today to the Honduras that I cherish so much.

May we all desire a Honduras with justice, freedom, democracy, and prosperity, and may we all construct it together, making an effective change toward national participation, dignity, and welfare.

Rafael Leonardo Callejas

Nicaragua

Contra 'Southern Front' Suggests Cease-Fire

PA1603003890 Hamburg DPA in Spanish 2309 GMT 15 Mar 90

[Text] San Jose, 15 Mar (DPA)—During a meeting in San Jose with envoys from President-elect Violeta Barrios and Cardinal Miguel Obando y Bravo, leaders of the anti-Sandinist Southern Front who are fighting the Nicaraguan government today proposed the disarmament of all the country's rebel forces

Jose Manuel Urbina, coordinator for the Southern Front negotiations, said that the guerrillas' position is the basis for a number of proposals, including indemnity for peasants affected by the war, privatization of the media, and a general amnesty.

Cardinal Miguel Obando y Bravo was represented by Roberto Rivas, while the Nicaraguan president-elect was represented by Joaquin Cuadra.

Urbina said that in the case of Southern Front fighters, who have operated in the Nicaraguan departments bordering Costa Rica, the proposal is for disarmament because the organization is composed of peasants who are in Nicaragua.

Urbina believes that in the case of the Northern Front, demobilization will be required because those forces are primarily based on Honduran territory.

EPS, Contras Engage in 'Heavy Clashes'

PA1503181790 Paris AFP in Spanish 1639 GMT 15 Mar 90

[Report by Humberto Arce]

[Text] Jinotega, Nicaragua, 15 Mar (AFP)—The Sandinist People's Army (EPS) and the Nicaraguan Resistance (RN) guerrillas have waged heavy clashes since 11 March over a wide region of the northern province of Jinotega, where tens of peasant villages remain virtually under siege by the rebels, AFP confirmed during a tour of the region.

The clashes over the past four days ended the truce announced two weeks ago by President Daniel Ortega to ease the disarmament of the contras and allow the peaceful transition of power to the newly-elected government of Violeta de Chamorro.

Amid the new outbreak of clashes, Jinotega peasants, traditional allies of the rebels, have not yet agreed on whether the contras should be disarmed before or after the transfer of power on 25 April. However, they all admit that they are fearful the war could intensify over the next few weeks.

The abundant and reiterated testimony by farmers and neighbors in the region indicates that about 3,000 RN guerrillas have organized in groups of 15 to 40 men and currently occupy positions in areas surrounding towns such as San Marcos, La Concordia, Yali, Suli, Sacacli, El Plantel, Los Potrerillos, Sabana Grande, Tomatoya, Llano Largo, and other areas near San Rafael del Norte Municipality.

To face the situation, the EPS has reinforced its troops in the zone and this week installed a battery of 150-mm cannons—with a range of 30 km, precisely the radius of the area over which the rebels are scattered—at its command post in San Rafael del Norte.

However, according to peasant reports, "the contras maintain they do not want to fight." A Sandinist officer explained that the clashes began on 11 March when about 200 rebels tried to ambush an EPS battalion in San Marcos, 18 km southwest of San Rafael.

The EPS immediately launched a search operation, in which hundreds of soldiers are supported by artillery units. The clashes on 12 March left at least one EPS soldier killed.

The hills around the San Marcos Valley were bombed on 13 March by the EPS for over eight hours, and the peasants were forced to take refuge with their families in the local church.

On 14 March, when AFP toured the combat zone, the people of San Marcos were still upset, and a teacher reported that only eight of the town's 400 schoolchildren attended school.

"We were tilling a plot of land, when mortar shells began to fall everywhere. We had to run to protect our families, and now we are here, distressed and waiting for everything to be over," Francisco Palacios said, as he looked disconsolately at his fields, which have become a battleground.

An EPS officer, who said he was not authorized to inform the press about the military situation in the area, admitted that: "Now there is no truce, because if they attack us, we have to defend ourselves."

The same officer, a major, said that the peasants "have been complaining that the contras come to threaten them and steal their cattle."

A family by the name of Rivera confirmed that last week, the contras stole and slaughtered six of their cows to feed guerrilla troops in the area of Suli. However, they reported this with resignation, saying: "We are at war, and we can do nothing, because power is in the hands of those who have guns."

Concerning the presence of rebels in important towns in Jinotega, particularly since the opposition's electoral victory, a well-known religious leader of the area, the priest Odorico Andrea, said: "Actually, they never stopped operating here, but now they are present in greater numbers."

"Now, when one goes into the countryside, one is much more likely to run into 'guardsmen' than 'comrades,' and this worries many people," said a priest of Italian origin.

Andre used the same language that the peasants used to refer to the contra fighters and Sandinist soldiers, who now seem about to intensify a war that for the past 10 years has brought ruin and sorrow to this vast region in the north.

Contras Continue Actions

PA1503174290 Managua BARRICADA in Spanish 8 Mar 90 p 5

[Report by T. Rothschuh]

[Text] Juigalpa—Clearly rejecting the demobilization of mercenary forces, contra groups operating in this region on 5 March carried out an incursion in the peasant town of El Serrano, southwest of Nueva Guinea, and committed acts of vandalism in other areas.

These warmongering forces belong to the so-called "Southern Front," which kidnapped 10 peasants in La Milpa Canyon on 6 March. More than 1,000 people live in El Serrano. The mercenary incursion took place at about 1000 and involved approximately 30 contras who tried to occupy the town, but were rejected by Sandinist People's Army troops who were in a nearby area. The outcome of this clash was not yet known as of the afternoon of 7 March.

Contra groups resisting demobilization, during the evening of 4 March, also attacked positions of the Miguel

Angel Ortez BLI [Battalions for Unconventional Warfare], on the northern part of the highway to Rama, and continue to disrupt the lives of the people through acts of vandalism, such as was committed against Gabriel Tellez in La Ventana, five km southwest of Cuapa. The contras stole million of cordobas and other personal belongings from him.

Contra Leader Danilo Killed

PA1603014390 Panama City ACAN in Spanish 0049 GMT 16 Mar 90

[Text] Managua, 15 Mar (ACAN-EFE)—Contra Commander "Danilo," the brother of contra Commander "Ruben" (Oscar Sovalbarro), who is in Washington negotiating the anti-Sandinists' demobilization, was killed in a clash with EPS forces in northern Nicaragua, it was reported today by a military source.

Lieutenant Ronald Martin telephoned ACAN-EFE and reported that eight contras and a Sandinist officer were killed in several clashes that occurred on 13 March in northwestern Jinotega Department, 170 km from Managua. He added that the eight rebels, including Commander "Danilo," were buried at the site of the clash.

In addition, Radio Sandino, the official station of the Sandinist National Liberation Front [FSLN], today reported that approximately 10 anti-Sandinists have been killed and 10 wounded in clashes which occurred in northern Nicaragua between EPS troops and contra forces.

Radio Sandino, which cited military sources, did not specify when the contra casualties occurred, but it added that Sandinist soldiers and rebels have been fighting since 9 March in the communities of San Marcos and San Gabriel, 25 km north of Jinotega, in northern Nicaragua.

The clashes continued on 14 March in the area, where the people said that "the rifle fire" can still be heard today, the radio station added.

The radio station said that the clashes prove that the contras are ignoring the appeals for peace issued by the Sandinist Government and that they do not respect the unilateral truce decreed late in February by President Daniel Ortega in an attempt to seek the rebels' demobilization.

Defense Ministry sources told ACAN-EFE today that ever since Ortega decreed the cease-fire on 28 February, eight clashes have occurred, resulting in 10 dead contras, one dead Sandinist soldier, eight wounded EPS soldiers, and three dead civilians.

Editorial Says Lifting Embargo 'Is Not Enough'

PA1503171690 Managua BARRICADA in Spanish 14 Mar 90 p 3

[Editorial: "Lifting the Embargo Is Not Enough"]

[Text] After five years of an economic blockade against Nicaragua, the U.S. Government has suspended the embargo. Evidently, this is a positive step. However, rather than calling it a triumph, the end of the blockade should be considered an indispensable step to return to the starting point in terms of what normal and just relations between the United States and Nicaragua should be.

If one bears in mind that the economic blockade cost the national economy more than $1 billion, the fact that it has been suspended proves that the embargo was an instrument of moral and political blackmail against the Nicaraguan people. By the same token, this some of the enormous disadvantages that the Sandinist National Liberation Front [FSLN] faced in the recent election, in addition to the attrition of the war of aggression and its consequences.

First, because those who have suffered the consequences of the blockade and of the war have been the masses. Second, because the FSLN was, as part of the masses, the only voice that during the five years of the embargo and the 10 years of war defended the Nicaraguan people's right to maintain an honorable and just treatment of equality with the United States.

In contrast, the political sectors that formed UNO [National Opposition Union] always assumed a subservient and accomplice-like stand, serving as an amplifier to justify the blackmail. At the same time, they used this instrument of coercion against the people to obtain votes until the last minute.

Nevertheless, the U.S. Government decision to suspend the embargo, seen from its positive side, could be described as a basic act of justice. However, it came late and it is insufficient.

It came late because it should have never happened and because that U.S. decision caused large losses to the people. It is insufficient because the amount of damage and the wear and tear caused over five years are not compensated for with just a suspension of the embargo.

For these same reasons, we expect that the new government that will be presided over by Mrs. Chamorro does not consider the suspension of the embargo a commitment. The end of the blockade is not a gift. It is just a basic obligation of the U.S. Government to establish a new kind of relationship between the United States and Nicaragua.

After the lifting of the embargo, the moral and legal obligation of the United States to repair the damage caused by its aggressive policy toward the Nicaraguan people is still pending. After the suspension of the embargo, the United States is compelled to support the national reconstruction effort and to abide by the mandate of the International Court of Justice that orders the United States to compensate Nicaragua for the damage caused by the war and the economic blockade.

These are only the commitments stemming from the framework of the new relations that should reportedly begin with the suspension of the blockade. It is the responsibility of the Chamorro government to continue taking steps so these commitments materialize as a fair and invigorating benefit for all Nicaraguans.

UNO Adviser Announces Juridical/Legal Program

PA1603013390 Managua LA PRENSA in Spanish 4 Mar 90 p 6

[National Opposition Union, UNO, Juridical/Legal Program, dated February 1990, which was presented by Dr. Oscar Herdocia Lacayo, legal adviser to President-elect Violeta Barrios de Chamorro, at a bar association meeting in Leon "recently"]

[Text]

Current Situation The Sandinist National Liberation Front [FSLN], in an attempt to establish an FSLN-dependent centrally-planned economy, subjected the Nicaraguan people to the absolute control of a new ruling class.

The FSLN established a suprastate organization, the National Directorate, in which the nation's political will is shaped and then conveyed to the state as the adequate mechanism to implement this plan.

On a juridical level, the FSLN took over virtually all of the state branches and homogenized them under the authority of the executive branch.

To preserve this situation, the FSLN corrupted the law and turned it from an instrument of justice, peace, and social harmony, into a tool used by the ruling group to dominate the people. In this way, the FSLN created a legislative system foreign to ethics, leaving the state and the law with no political, social, or juridical meaning.

He [President Daniel Ortega] based his plan on militarism, creating a disproportionate army at the service of the state-party, thus producing the historically harmful symbiosis of party-army-state.

As a result, there has been true economic, social, political, and cultural chaos, which has put Nicaragua at a disadvantage with regard to other Central American countries, sending Nicaragua several years backwards.

Resultant Tasks

In view of the legacy of Sandinism, we have determined there to be three areas of action in the legal aspect that deserve special care and consideration.

a. To establish a de jure state and to restructure republican institutions to respond to a democratic system.

b. To repair the deep, indiscriminate, unjust actions taken by Sandinism as a result of its administration, which thus far have denied citizens access to efficient legal actions and resources.

c. Modernization of our legal system so it responds to the scientific, technological, economic, educational, and cultural demands of the modern world in which we live.

Lawfulness is respectful of human life, therefore laws should respond to the needs of our country in all aspects.

Implementation of the Plan

To establish a de jure state in Nicaragua, it is absolutely necessary to amend the Constitution as soon as possible, to add the 17 points UNO has been demanding of the government for so long. Such constitutional reform should be complete because, with partial reform, the current text would be faulty since its entire structure is directed toward the FSLN Sovietization plan and there would be the risk of leaving traces of its Marxist and totalitarian structures. However, at the time of making the amendments, the effective composition of state branches should be taken into account to determine if all the reforms are carried out immediately, or if it is advisable to proceed with partial reforms. The decision will be of a political nature.

The new Constitution will clearly and efficiently determine the branches that comprise the state, establishing an efficient system of restraints and counterforces so there is a reasonable balance among them. Conventions and human rights declarations that Nicaragua has signed or intends to sign in the future should be broadly incorporated within the chapter related to rights of citizens, which combined, will constitute the backbone of our modern law.

An integrated system for constitutional appeals will be established, incorporating those already in force, which will have to be improved. This includes the administrative law, so a citizen can defend himself in an efficient manner against state action.

Special emphasis will be put on the Armed Forces' obedience to civilian authorities. The Armed Forces should be trimmed to their proper size and their authority established in the proper sphere.

The Army will be apolitical. Any members of the Army who have perpetrated crimes stipulated in the Penal Code will be tried by ordinary courts. Military courts will be created only to handle disciplinary cases.

The police will have branches to handle various departments, such as traffic, intelligence, customs, public vigilance, etc., whose training, personnel, and leadership will be 100 percent civilian.

A special effort will be made to create a truly independent and impartial judicial branch to protect citizens' rights. This branch will inspire complete trust because of the training, integrity, humanity, and goodwill of its members.

To better guarantee the Nicaraguan people's human rights, the country will be under the jurisdiction of the Inter-American Human Rights Court and a Special Human Rights Prosecutor's Office will be created in Nicaragua.

The Constitution will be amended to give the laws a truly democratic dimension.

The new Constitution will include clauses to make several political positions incompatible. This provision is designed to prevent reelection, nepotism, and one citizen holding more than one government post, among other offenses.

Reparation of Injustices

It will be impossible to establish peace and democracy in our country if we try to construct it on a heap of injustices, the searing spoils of the previous regime.

Because of this, we must free man of a number of burdens that the system has put on his life, liberty, and personal integrity. We must ensure for him absolute freedom of thought, expression, worship, education, and movement, both within and outside the country. We must ensure absolute respect for his correspondence, protection of his home, and other public liberties that befit man because of his very nature. It will be necessary to return to the peasants, who at present have become serfs, the genuine ownership of the land they till. We must return to the workers, who have become vassals of the state or the ruling class, their dignity by reestablishing the principle that all work must be remunerated. We must return to them their rights of association, of striking, and of collective convention because they are instruments to defend his human dignity. These rights include that of a fair salary to meet his minimum needs plus a portion to be saved.

The entrepreneurs, whose assets have been confiscated, thus turning these people into simple state managers, must be given full freedom of enterprise, eliminating the the state's centralized controls and the bureaucratic obstacles that hamper their activities.

The state can only act in a supplementary manner within the economic area, when for special reasons the private sector cannot or does not wish to develop an activity or service needed by the community. The normal duty of the state will be to provide the private sector with equal opportunity, information, or assistance to develop its activity. The state has not been created to do business, but rather to resolve the people's problems and promote them towards development and civilization.

Many assets, especially private property, as well as real estate, belonging to companies or individuals, have been confiscated unjustifiably by the Sandinist government under different pretexts and names, such as expropriation, or the state has taken possession under the pretense of abandonment, agrarian reform, urban reform, etc. Justice—quickly and efficiently—must be carried out in agreement with the circumstances and measures available to the state so these citizens can once more return to work to benefit national production, in their previous activities, or in others if the first is not possible. A special agency will be created within the executive branch with full powers of negotiation and settlement to carry out this part of the government program. The citizen's legal action shall be expeditiously resolved, without prejudice, whether an agreement is reached or not, to be reinstated, compensated or indemnified.

The fiscal system has become a body of arbitrary, irregular, and disorderly stipulations, which have fallen to the level of confiscation. There are taxes without any legal basis. Others are truly a swindle. These include the capital earnings tax (during a time of inflation), the surplus tax, the cascade sales tax, and others. As soon as is practicable, it will be necessary to outline rational, clear, and simple tax legislation, easily applicable to the citizens and which, without instilling mistrust or fear in them and properly adjusted to reality and the equality of taxpayers, will enable them to carry out their commercial activities with the possibility of capitalizing part of their profit for the future.

Every person handling state property or money and enterprises in the people's productive sector will have to file a sworn statement of ownership.

The pensions of those who have retired for normal causes and war wounds, as well as of the relatives of those who died in combat, will stand. Pensions will also be granted to those who have been unable to obtain them under similar circumstances. These pensions should be adjusted periodically to preserve their purchasing power.

Updating and Modernization

In view of the fact that Nicaragua has experienced backwardness in all fields of human endeavor and consequently in aspects that deal with the law, it is absolutely necessary to conduct basic reforms in the state's institutional system and in its main legal codes.

We will use all the legislative advancements that can be adapted immediately or progressively to our legal system and environment. With the support of the Legislative Assembly, and in due time, we will reform the Criminal Code, the Civil Code, the Labor Code, the Mercantile Code, and the Police Code.

We will create an administrative code, a code of procedures for the various fields, a statute for property in all its varied forms, and a general statute for public employees, which will include:

A civil service law covering all administrative employees working in any of the three state branches. This law will create the administrative, judicial, and teaching careers. The statute will include a probity law that will control not only state money and property, but also information that officials and employees may obtain because of their jobs to prevent employees from using it as an illegal means of enrichment.

This statute will be complemented with a social security law and a passive classes law [ley de clases pasivas]. In addition to the social security law, there will be a social assistance service to help the needy.

To strengthen control over the state's functions, we will establish a modern and flexible administrative contracting law that will guarantee the construction of public works and the signing of supply and maintenance contracts and the acquisition of state goods through the bidding system, given that these contracts or acquisitions total significant amounts of money.

We will create laws to promote and encourage development.

The education system must be completely free, thus leading to overall education and the promotion of individuals able to exercise their rights to self-determination and to form their own opinions. Public elementary and high school education will be free. The right of parents and tutors to choose the kind of education they want for their children or pupils will be respected.

Administrative Decentralization

To better consolidate democracy in our country, we will try to conduct a decentralized administration insofar as our development rate and the country's situation permit.

We will respect the Atlantic coast autonomy according to its ethnic groups, habits, and development, thus improving the current autonomy law.

We will guarantee municipal autonomy by giving more independence to municipal governments and by respecting the revenues they obtain from territorial taxes. In that way, we will allow municipalities to develop according to with their own conditions and characteristics.

We will respect not only the university's administrative and teaching autonomy, but also its economic autonomy, so it can attain its own goals regardless of party policies.

Emergency Legislation

1. Law to grant a general amnesty to all Nicaraguans for political and related crimes. This law will apply to all crimes committed up to the date of its promulgation, but will not be applicable to foreigners who have committed crimes in the country, who will be tried with full procedural guarantees. Measures will be adopted for all persons under arrest for such crimes to be set free immediately.

2. Repeal of the law on the Patriotic Military Service, which, because of its partisan nature, violates the right to free association.

3. Complete derogation of the Law on Maintenance of Public Order and Security, the amendments to it, and all other like measures.

4. Immediate elimination of special jurisdictions.

5. Elimination of sound criticism as a means for the assessment of evidence, elimination of the monopoly on state's penal action, reestablishment of juries, and elimination of the pilot plan to include laymen in courts of justice.

6. Annulment of repressive laws in general, and particularly those that refer to money exchange, smuggling of precious metals, obligatory bank deposits, etc.

7. Elimination of the SNOTS [National Labor and Wage Organization System] and the law on salary scales; and reestablishment of the workers right of association, right to strike, collective bargaining, etc. A minimum wage will be established to permit wage earners to lead a worthy life and to be able to accumulate family savings.

8. Repeal of the law on the news media, because it is best not to have any law on the subject. This law will be replaced by a set of purely technical rules. A law on rectifications will be enacted to protect citizens' rights.

9. Elimination of the state's legal monopoly on the economy, imports, exports, and banking system.

10. Repeal of the laws, decrees, and resolutions concerning confiscations, the sole exception being Decree No. 3 with regard to the properties of the Somoza family and relatives, but reviews will be allowed in this case to prevent injustices.

11. Suspension of the president's illegal delegation of powers to his cabinet ministers to regulate and virtually legislate on a number of subjects.

12. Modifications to the agrarian reform program to make it an integral program. Property rights will be granted to peasants tilling the land, but not to the detriment of the rights of owners of properties illegally confiscated under any name. A similar solution will be adopted in the case of the incipient urban reform, which has been implemented without regard to the law and justice.

13. The law on tenancy must not be a permanent law. It will be extended for one last period to prevent a housing chaos, but it will include rational provisions concerning

eviction. In addition, rental rates will be adjustable through adequate mechanisms. All future housing construction will be subject to the laws of supply and demand, as will all property already rented once it is vacated. All other laws regulating rental rates will be repealed.

14. Annulment of laws hampering the free play of economic forces. Price freezes can only be adopted as emergency measures and then only for the time necessary for the state or private enterprise to solve the scarcity problem through domestic production or importation of goods essential to the population.

15. The privatization of state-owned enterprises will be systematically organized because the state must not engage in any economic activity that falls within the scope of activities of private citizens. Their expenses must be covered with the taxes paid by the citizens, and the state will only take charge of vitally important services and enterprises that private citizens cannot develop themselves.

16. The death penalty will be banned. Abortion will continue to be considered a serious crime, and therapeutical abortion will be carefully regulated.

17. Through adequate laws, the state will guarantee responsible parenthood among Nicaraguans and will assign this task to state institutions that are nonpartisan in nature.

Immediate Partial Solution

The declarations and conventions on human rights are included —albeit with a different objective—in Article 16 of the Sandinist constitution. They will be the backbone of our legal system in the future, but this will not be possible without a tacit repeal or annulment of many of the provisions of the Nicaraguan Constitution and laws.

By nature, the legislative branch has powers to legitimately interpret the laws. To avoid any confusion, it must declare that the principles embodied in the conventions and declarations on human rights have priority over any other constitutional provision or subsidiary law and that, when complying with its legislative duties, it respects such legitimate interpretation.

By nature, courts of law have the power to legitimately choose the law applicable to cases under their review. According to the principles of legal interpretation, when two laws are in conflict, the one with a higher category prevails. It cannot be denied that human rights—which represent true supranational rights—are of a higher level or category than other constitutional provisions and subsidiary laws.

Consequently, through fair and upright interpretation, the courts of law must, in the event of conflict between two provisions, enforce the provisions of conventions and declarations on human rights referred to in Article 46 of the Constitution with preference over any other legal provisions. Thus, the provision of Article 119 of our Constitution, which refers to the state's right to plan, manage, and organize education through a national system, obviously clashes with section three of Article 26 of the Universal Declaration of Human Rights, which provides that "Parents will have a preferential right to select the type of education their children will receive." The solution is unquestionable. The provision on human rights must prevail over the constitutional provision insofar as they clash. The same could be said of the law on the Partisan Military Service [Servicio Militar Partidario], which violates the human right of association. The law referred to obliges young Nicaraguan citizens to join a partisan organization. We could go on pointing out cases and instances in which provisions on human rights clash with the unlawful legislation governing us today in Nicaragua.

This is a broad outline of the juridical program that I have presented in my capacity as adviser to the president-elect. This plan can be perfected with the support of legal experts in Nicaragua or outside Nicaragua who may wish to contribute to our homeland's democratization.

Panama

Endara Interviewed on Current Situation

PA1503162490 Panama City Radio KW Continente in Spanish 1256 GMT 15 Mar 90

["Exclusive" interview with President Guillermo Endara Gallimany by Carlos Alberto Montaner at the home of "The Word" program host Omaira Correa; in Panama City on 14 March—recorded]

[Text] [Endara] All our economic indicators have fallen a great deal. The only thing positive in this picture, which did not exist at the time of the Noriega regime—I must tell you that the economic situation is worse than during the Noriega regime because of the anarchy that resulted after 20 April [as heard] and the looting that followed—the only thing that has changed and makes a great difference is that now we have optimism. During the Noriega regime, there was great pessimism regarding the economic situation. Although this psychological factor cannot be quantified by economists who dedicate themselves to such things, it is a very important factor and makes a great difference.

[Montaner] But, perhaps it can be quantified. I understand that there has been a sudden increase in real estate prices?

[Endara] Yes, because purchase and sales values are a result of how the future looks. In Panama there are many factors that indicate that it could; definitely, Panama is progressing, and because of this everythig has increased. This can, of course, be quantified with say....[changes thought] Economically, we are able to find out that the rent for a certain property has increased or that certain land has increased in value, and we can find out if it

increased by 20 or 30 percent, if it was by 20 or 30 percent, although this information is difficult to determine. Sometimes a price is set knowing that negotiations will end with a lower price. However, the indicator you noted is a good one.

[Montaner] For a long time, for decades, Panama has been accepted as a country excellent in [word indistinct] services, especially services....

[Endara, interrupting] Yes.

[Montaner] ...banking services. Did this reputation disappear with the dictatorship? That is, did the trust in the international banking sector of Panama disappear?

[Endara] Naturally, the closing of Panamanian banking sectors for approximately two months—I do not know how long it was but it was a long time—and the fact that long-term deposits and savings accounts are still frozen diminishes the trust in the banking sector enormously. I believe it will have to recuperate; a long time will pass before trust in the banking sector is regained and it operates as it did before. I hope this will happen soon, but I fear that this trust will not be regained quickly. The money does not....[interrupts his sentence to talk to unidentified man] I am very well.

[Unidentified man] Sorry I interrupted.

[Endara] No, no, do not worry, do not worry.

[Montaner] General Marc Cisneros has told me that he believed that the real reason for the delay in U.S. aid was pure bureaucracy, that is, that there were no political pressures or ill-intentions in this matter. Do you believe that the system is so violent and clumsy?

[Endara] Yes, this is part of the price that has to be paid for a democracy. It is not only a bureaucratic problem; bureaucracy is found in every country and in all conceivable systems. The concepts of the democratic system itself entail that one of the prices to be paid is slowness. I understand, I understand the slowness in the United States. President Bush is not a dictator. He is a democratic president and his decisions, however good they may be, have to be subjected to the decision of the two houses of Congress. This takes time and there are many wills involved and many opinions to be given. This, this, this takes time. I believe that now that President Bush has personally intervened in the matter, the process will be speeded up.

[Montaner] Do you believe your fast contributed to the speeding up of things?

[Endara] That was not the intention of my fast. My fast was not intended to speed things up. It was not conceived to speed up or to sensitize Congress, much less, to pressure it. It was a strictly a domestic matter; it was an act of pity toward the needy persons in Panama.

[Montaner] Do you think your message has been understood, Mr. President?

[Endara] I believe so. However, I must note that it was not understood by the wealthy, and even by the professional middle class. However, most of the people did understand it. Some businessmen I know had a scientific survey taken. It was conducted by a Panamanian firm. There were two surveys. One was a general survey among just the population of Panama City, and the other was among 100 executives. The first survey was based on interviews with scientifically selected segments of the population—approximately 600 people —and the other with 100 executives. In the first group, 97 - 98 percent knew I was on a hunger strike....[corrects himself] that I was fasting, and 94 percent knew why I was fasting. When asked if they knew the reason for my action, half of them said it was to show my pity—the real reason—and the others said it was to pressure the United States. [laughs] They all knew I was fasting, though many thought it was to pressure the United States.

[Montaner] Politically, it was not bad for them to believe you were trying to pressure the United States, even though it was not so.

[Endara] That was not my intention, and I believe it could even have a negative effect. What is this, water? Thank you. Oh, ginger ale, perfect.

[Montaner] Is there hunger... [laughs in background]

[Endara, interrupting] You know that, pardon me, I bothered her so much [1-second break in reception] ...she is so nice. Is this a gift? Thank you.

[Montaner] Mr. President, is there hunger in Panama?

[Endara] Yes, there is hunger, and I see it every time I get near the people. Whenever I have a chance to be with the people, with the very poor, I realize that there are people who are hungry and experiencing incredible difficulties. I will mention a very typical case. This is only an example of many similar cases: A woman comes to me and tells me that she has three children from three different fathers, all of whom have abandoned her. She adds: I must support my three children, but I do not have the means to feed them, and I receive no money from their fathers, so I need your help to find a job. When I ask her what kind of work she does, she says she has no skills. Then I ask her who she would leave her children with if I find her a job doing anything, and she replies she has no one to take care of her children. When I ask her if she has a solution, she says her only solution is to find another man. That is the only way.

[Montaner] That is sad.

[Endara] This is typical, the type of case I come across everyday when I meet with the people. Although it does not happen as often now, during my first days as president, the Presidency was seen as a place to find jobs, money, or whatever. When I went out to greet the people, I was approached by people who told me—and I believed them—that they had not eaten anything for two days.

[Montaner] Before becoming president, were you aware that there was such a large number of people in that situation?

[Endara] I knew that there was hunger. However, as I said a while ago, the situation worsened after the 20 May [as heard] looting, because many businesses had to close or dismiss their employees, practically without paying them any severance. Almost all the stores and a large number of industries—which were sources of jobs outside the government—were affected. Therefore, I believe that there is more unemployment and more hunger today. In addition, the bankruptcy and fiscal condition the government is facing....

[Montaner, interrupting] What is the level of reserves?

[Endara] What do you mean by reserves? Remember there is no....

[Montaner] Dollars?

[Endara] Dollars. Therefore, here....

[Montaner, interrupting] Does the government have any reserves?

[Endara] No. I will explain. The government has a National Bank that handles all its funds. When we assumed the government, one of our surprises, it was a big surprise indeed....[changes thought] We were not surprised to learn that the government had an overdraft at the National Bank, we already knew that. However, what really surprised us was that the overdraft was for $930 million. In other words, almost $1 billion, which is very high for Panama. Right now our problem is not only trying to keep our expenses within our income, but also trying to cover the overdraft at the National Bank to improve its liquidity; the previous government left the National Bank with absolutely no liquidity.

[Montaner] Does Panama have a large public payroll?

[Endara] It is the largest employer. It has a payroll of approximately 160,000 employees, something like that. It is artificial, it is....

[Montaner, interrupting] How many employees?

[Endara] Approximately 160,000, which is absurd for Panama.

[Montaner] What is the total labor force in Panama?

[Endara] I cannot give you an exact figure, but it could be approximately 500,000.

[Montaner] It is normally 30 percent of the population. In the case of Panama, which has a population of approximately 2 million, it could be between 300,000 and 600,000.

[Endara] Yes, that is it.

[Montaner] Out of that number, 160,000 are state workers, so we are talking 25 percent.

[Endara] When I was planning minister during President Arnulfo Arias' 11 days in power in 1968, I think the government payroll, which we thought was too high then and included sinecures and unproductive workers, totalled 40,000 employees.

[Montaner] In 1968?

[Endara] Yes, in 1968. As for the public debt, we also thought it was too high. We thought the previous government had incurred too many debts. The public debt was $400 million. Now it is $5.6 billion.

[Montaner] As high as $5.6 billion?

[Endara] Yes, $5.6 billion.

[Montaner] One of the highest per capital debts in the world?

[Endara] Yes, I believe it is the highest per capita debt in the world, except maybe for Israel. I do not know if we have beaten Israel in this aspect, but we are battling for the top position.

[Montaner] Do you plan to reduce the public sector?

[Endara] Of course. First, we believe we should privatize many state enterprises. Of course, it must be done very seriously and with great discipline. It is not like many people think. One cannot simply go and say: This enterprise will be up for bidding and will be sold off. We believe we have to privatize enterprises. We have no business being involved in activities that should be handled by private enterprise.

[Montaner] For example?

[Endara] For example, a citrus production enterprise the government owns in Chiriqui Province. We also have Air Panama and the sugar mills.

[Montaner] The sugar mills?

[Endara] Yes, there are three sugar mills. We also have Bayano Cement Enterprise....

[Montaner, interrupting] The telephone company belongs to the government.

[Endara] Yes, it belongs to the government. However, for the time being, we have not seriously talked about privatizing the telephone and power companies, or the ports. They are possibilities, but not for the time being.

[Montaner] They are the easiest to privatize.

[Endara] I know, but they are also the most public of all companies because they provide public services. I believe the production of cement and sugar should be a private activity.

[Montaner] Does the government own any shipping companies?

[Endara] No, the government does not own any.

[Montaner] How about fishing companies?

[Endara] The government does not own any fishing companies.

[Montaner] Have you tried the international capital market?

[Endara] Of course, we plan to. We are currently involved in this process. The first company we are going to privatize is Air Panama. We are currently approaching several airlines, which would hold talks with the employees and even with the government, if necessary, because to have a national airline, 51 percent of the shares should be Panamanian. We have already had a good experience with Petroterminales [oil pipeline company], which pumps oil from the Atlantic to the Pacific and crosses Chiriqui and Bocas del Toro Provinces. The government owns 51 percent and private companies own the other 49 percent. They signed a contract to manage the company. It is a productive enterprise and has provided much revenue to the government. It is entirely managed by private enterprise. We only participate in board meetings to make certain types of decisions and to collect dividends. That the government does not intervene in this company is a blessing, because the government has collected much money in this deal.

[Montaner] There is less temptation for corruption.

[Endara] Certainly, definitely.

[Montaner] The Panama Defense Forces [FDP], of which you were a world-famous victim, has become a police force. Are you planning to demilitarize it so it does not become an army?

[Endara] Yes, that is our clear goal. We have reached the point where we are thinking about submitting a constitutional reform bill to the Legislative Assembly so the proper steps are taken to achieve this goal. As a lawyer and a member of the group planning to submit the reform bill, along with other ministers....[changes thought] I have a copy of the Costa Rican Constitution and I would like to copy, more or less word for word, the part that completely prohibits the country's militarization and the army. This is the legal aspect of our plan, but in practice, we are going in that direction and I believe we are getting there. There are people who believe that we ran high risks when we decided on 23 December to invite the former FDP members to join today's National Police. We made this decision for various reasons, after long hours of deliberation. At the time there was anarchy; we needed a minimum of Public Force [FP] troops quickly because, we could not depend on the United States. I remember that on the first day of anarchy I went to talk to the generals to see what they could do to end the looting. They told me: Listen, what we have here is an army of soldiers who only know how to kill people, that is, they shoot to kill people. This was before the Military Police arrived. If we [the U.S. generals] try to stop the looters, it is going to be an incredible slaughter. So, I wondered what I would do? I thought I would rather see looters run down businesses than have all my people killed.

[Montaner] Mr. President, this is an emergency situation; that is very understandable.

[Endara] Yes, but there are other reasons. At the time—even now—we could not leave 13,500 or 14,000 members of the former FDP without a job, because we were going to have 14,000 people suddenly unemployed. They could have become a danger because virtually the only thing they knew how to do well was to use weapons. We in Panama were up to our necks in weapons because Noriega went crazy during his last months distributing weapons. Evidence of this is the number of weapons collected by the U.S. Army, not only in the military garrisons, but also outside the garrisons. I believe now, and I believed then, that there were many weapons and that the problem was big. Another reason was that if we had started an FP with a new group of Panamanians—that is Panamanians who were absolutely clean, who had never been members of the former FDP—we would have gone precisely to a human group exactly the same as the one we had in the FDP. In other words, the population of the former FDP is a sector of our population, and if we were going to change one sector for another we would not have changed the mentality. Panamanians from one or another sector are the same. They were going to be like brothers and we were going to end up with the same thing.

[Montaner] But, was there not an esprit de corps and a dangerous degree of corruption in the military?

[Endara] Yes, I think there was, but above all it was concentrated at the highest levels; the serious corruption was at the highest levels and we did not hire those people. We did not hire any of the colonels, well, we did not hire the general either, at least not the one offered to us. We did not hire any colonels, but we hired two lieutenant colonels and later had to fire one. We hired about half of the majors and in doing so we excluded the worst ones. We did not hire any people who were known thieves, oppressors, torturers, or murderers.

[Montaner] And the people who hit you, where are they?

[Endara] Many have been fired, some now are unemployed; other have been denounced. Truthfully, I have not persecuted or looked for them especially, but I understand that some of them have been recognized and denounced by other people. I have not done that because I do not think that is my duty as president.

[Montaner] Has the man who hit Billy Ford been found?

[Endara] I think that some, because he was hit by several, who were seen on television so much, especially after 20 December, are now in jail. I do not know much about those details but I think they are in jail.

[Montaner] Will any charges be filed against these people?

[Endara] That is being handled by the Attorney General's Office, which in the Panamanian system is a....[changes thought] The Attorney General's Office is independent of the executive branch and is part of the judicial branch. This office is responsible; the decision will not be based on our will or whims.

[Montaner] The collection of taxes needed to govern—how is it going?

[Endara] It is in relative anarchy. Why? Because when we came to power the Finance Ministry had practically been reduced to ruins, including the accounting systems of the businesses and of the Finance Ministry itself. So, we have had to grant extensions for payment of taxes. We even had to grant another extension for the tax return statement normally due on 30 March. We extended it to 30 April. We postponed the payment of many taxes that were due on 30 December until 15 February, I think, and then postponed it until 15 March, more or less. I am not known for having a good memory.

[Montaner] How much does Panama need for its reconstruction?

[Endara] Based on quick studies conducted after 20 December, we concluded that it was necessary to carry out various projects that we estimated would cost approximately $1.5 billion. However, when we heard of President Bush's proposal, we analyzed it and concluded—particularly the economists—that the offer was very generous and acceptable, and that it could give us the economic boost we needed, although the effect would not be as strong as it would be with $1.5 billion.

[Montaner] Are you talking about the $500 million?

[Endara] That is correct, President Bush"s offer was $500 million less than what we had planned. However, I believe that $1 billion—at least that is what the economic experts thought and they convinced me—is a good amount.

[Montaner] For a billion, or 500 million?

[Endara] Billion, one thousand million.

[Montaner] Is that what he offered?

[Endara] President Bush?

[Montaner] They have talked about 500 million.

[Endara] No, that 500 million is divided in two packages. One executive package of 500 million, which Bush has already appropriated from money at his disposal, and another half billion, which is what we we call the legislative package because it has to go to Congress. It is $1 billion [words indistinct] to $1.5 billion.

[Montaner] Generous offer.

[Endara] Very generous, and we realized that $1 billion was really enough. Why? For two reasons: one, because that amount would definitely have gotten the economy started and we [words indistinct]. The economic input would have had a multipying effect that would have reached everyone. Perhaps, we would have been able to [word indistinct] the same. Not exactly the same, but very similar to the 1.5 billion. In addition, we have received offers—of course, they cannot be so generous—of help from the European Economic Community, Japan, and Taiwan.

[Montaner] [Word indistinct] Spain acted especially good toward Panama?

[Endara] Yes, very good, because Spain—within its possibilities—immediately restarted several projects that it had suspended during the Noriega regime. It did so immediately, almost a week later. While friendly, brotherly Latin American countries were discusssing whether we were this or that, Spain did not wait and immediately started to reactivate its help, and....

[Montaner, interrupting] As we know, Latin America has not responded [changes thought] Which country can you complain about the most or which country still has reservations about Panama?

[Endara] In reality, I do not have any complaints against any country. The one I could complain about would be Peru, as it expressed itself very negatively about us. However, lately, I am very grateful to Peru because President Alan Garcia himself began the normalizaton of our relations. He was the one who called me, and we spoke two or three times—I do not remember how many times—after that. Finally, he said: Send me the highest official in your government. I will receive him personally and he will visit our offices where he will receive special attention. I sent him my first vice president and a presidential adviser: Ricardo Arias Calderon and Joaquin, Dr. Joaquin Franco. Garcia took them to the presidential house and presented them to media. He introduced them to everyone, embraced them, and had them visit all the opposition and government presidential candidates. He even sent them to the foreign minister, the one who spoke the harshest words against me—I believe he called me the Judas of the Americas. The foreign minister asked Ricardo Arias Calderon to apologize to me. He also asked that I be told that he regretted what he said. So, this is the situation and I cannot complain any more about Peru, as it is [words indistinct].

Now, I am the one who feels badly about them because shortly after Peru's wonderful gesture, a mob almost burned down the embassy [chuckles], almost burned down the Peruvian Embassy here in Panama. Regretably we could not [corrects himself] we did not give them the protection they merited. That embassy was on the verge of going up in smoke because Molotov cocktails were thrown into the house, so....

[Montaner, interrupting] I believe there were some murderers in there?

[Endara] Yes. That is another problem that hurts us. They say that the people in the embassy are there for political reasons and, in reality, the people in that embassy were—how do you say it—responsible for executing the soldiers involved in the 3 October coup. In our country, the death penalty is totally prohibited; therefore, they knew they were violating the law.

There was nothing remotely close to a trial held, even if we had the death penalty as a punishment for military crimes. They were assassins of the worst kind. There were other previous incidents, but basically this is the accusation.

[Montaner] Of Major Moises Giroldi's death?

[Endara] Giroldi and many others. Many people were killed during those days. We do not exactly know how many people were killed.

[Montaner] You do not know?

[Endara] We do not know.

[Montaner] Are you going to let them leave? Are you going to let them escape to Peru?

[Endara] As a lawyer, I know what Latin American international treaties say —those that have only been signed and ratified by the Latin American countries because the United States has not ratified them—regarding the right to asylum. The host country decides what crime has been committed, not the home country. There are rights established in those treaties. The home country may inquire about the charges that have been filed against the people who have sought refuge. The home country may ask the host country not to determine what crimes have been committed in each case. If the host country has already decided on the charges, it may be asked by the home country to reconsider its decision and to provide evidence supporting those charges. We are currently exercising those rights.

We hope Peru does not insist, because our relations, as you have already seen...[changes thought] They are not accepting other cases, which are less serious. For example, we have the case of a man like Toty Suarez [president of the Revolutionary Panamenist Party]; we have the case of General Noriega's wife and daughters; and a number of other cases where we cannot call these people assasins. We did not have any evidence against them.

[Montaner] What about Manuel Solis Palma?

[Endara] Solis Palma left the embassy and nothing happened to him. His case was interesting. He sought asylum and the Venezuelan Embassy never, never, officially informed the Panamanian Government that Solis Palma was there.

[Montaner] He was there as a guest?

[Endara] Yes. When we were asked about the fate of Solis Palma, we replied that, for all we knew, he was spending a few days with the Venezuelan ambassador. He had every right to sleep there.

[Montaner] I will ask a few more questions.

[Endara] You may ask anything you like.

[Montaner] There were many people saying that the invasion was a U.S. pretext not to return the canal in the year 2000.

[Endara] No, no. There has never even been the slightest hint from any U.S. Government official, not from the State Department or the Army about this. Congressmen of all ideologies have been here, even from the extreme right—I do not think there are any extreme leftist congressmen in the United States—as well as senators. Military officers have also been here. I have had long talks with them. They have not even hinted that they want to change the treaties or that they want to stay beyond the year 2000. All of that is Noriega's nonsense. Noriega was the one who started that campaign. There has never been any talk about this, not even about the bases remaining beyond the year 2000. There has been none of that at all.

Thus, there is no truth in the statements of....[changes thought] We have never talked about this before or after the invasion. At no time has this come up, at no time whatsoever.

[Montaner] You are Arnulfo's political heir in some ways. The party has suffered with Arnulfo's death and with all these changes, with the exile of members, and more....

[Endara, interrupting] Especially, because Noriega took away our party.

[Montaner] Noriega took away your party and you had to run on the Liberal Party platform....

[Endara, interrupting] Yes, I really ran for the three parties, but the Liberal Party was the one that gave me the most, the most....

[Montaner, interrupting] Support.

[Endara] Support, special support.

[Montaner] However, there is also another current in the country—the PRD [Revolutionary Democratic Party], which has disappeared and is now discredited. Yet, a percentage of this party must surely still exist in Panamanian society, perhaps with eight or 10 percent of the population. Have you noted that there is some type of political vacuum and that the country has to reorganize its poltical forces in a clearer, unblemished manner for future elections; so the selection of future candidates may take place in cleaner elections?

[Endara] What worries me is this: I believe the PRD—however strong it has been—is heading for extinction.

This is the traditional trend with parties created by military men. [Former President Colonel Jose Antonio] Remon created something called the National Patriotic Coalition, CPN; in Remon's day, it was a very powerful coalition. Col. Remon made the CPN so powerful. Since then, Torrijos and Noriega created the PRD....

[Montaner, interrupting] Did Remon precede Torrijos in this aspect, in some manner?

[Endara] Yes, yes. Remon was a, a....[changes thought] Of course, each held very different positions. However, Remon was the first, he was the first, he was the first strong military man who exerted effective power in Panama and, even became president. Of course, it was an entirely different situation. He had....[changes thought] There were fundamental differences, but he was the first military man to really take power. He created the CPN but, once he died, it only lasted a few more years. During the 1968 elections it was able to get [words indistinct], but this was to no avail, because it was completely annihilated after the 1958 elections. I believe the same thing will happen with the PRD. Without military support, without the umbilical cord—mentioned by Noriega or someone else—between the PRD and the Defense Forces, I believe the PRD will die.

I think that democracy by its own nature tends to create an opposition. A democracy without an opposition is not real. I fear that a coalition as good and strong as the coalition that is governing now, ADOC [Civic Democratic Opposition Alliance], which brought me to power and to which I am greatly committed, will split. My fear is that because of the nature of the democratic system, the coalition will split in the....[changes thought] and that the opposition will turn out to be from among those who are currently in power, I do not know.

[Montaner] That is unavoidable.

[Endara] That is how I look at it. However, it is hard for me to accept this, because I sincerely feel that I was made by this coalition, I am committed to this coalition. I have done just....[changes thought] despite adverse cartoons, comments that I am weak, that I am [words indistinct] because I have formed a coalition government that recognizes each party's specific weight. I believe that all the parties are happy with me. I receive signals that all the parties are happy with me because I take all the parties into account. I do not make any decisions, except when I have to make quick decisions, without consulting with the parties. I protect that coalition, and it is my duty to protect it until the last moment. However, my fear is what you have just said.

[Montaner] That is unavoidable.

[Endara] It is unavoidable, but I never want to feel responsible that I have created it.

[Montaner] Now we have the last question, President. In the news conference at ILDEA [Latin American Institute of Advanced Studies] the foreign minister said that he was going to submit a proposal, or that the cabinet will submit a proposal to the president to assume the Betancourt Doctrine. This doctrine proclaims a break in relations with those countries that are not—at least in Latin America—the product of a clean electoral process, that is, neither coup nor electoral fraud. Does this also mean a stronger position against Cuba, and greater support for Cubans who pursue Cuba's freedom?

[Endara] I must tell you that we went through a bad experience that leads us to think exactly like the foreign minister does. It was the traumatic and painful experience of the OAS. We really thought that in some way the OAS—I know that is asking too much from the OAS—was going to help Panamanians rid ourselves of Noriega, and make the invasion that took place unnecessary. It is clear that the OAS failed, and thus it made the U.S. invasion necessary. At the time, we were not clear on what the U.S. invasion would mean, but now it is very clear. After that disappointment and trauma, we said that when we reached power we would promote and make use of our experience. Like the Betancourt Doctrine says, when there is no democratic government, one has to be strong and not recognize these governments, and be very strong in international forums. In other words, other countries living under dictatorial regimes could benefit from our experience.

Speaking now on Cuba, I believe that, yes. I think that we have to be careful with regard to Cuba, because we are just beginning to make contacts with Latin America. I think that we will do all that we can to help our Cuban brothers achieve democracy.

I think that this can reach the point where [words indistinct] that would take us to the Betancourt Doctrine of reaching the point of severing ties. In addition, Cuba has given us very good excuses for that. At the begining, we could have the idea that maybe Fidel Castro, to save the economic situation, would be willing to make concessions, or would adopt a more calm and flexible attitude. However, this does not happen, and very often Castro makes comments against us. In international forums, Castro constantly calls us pawns of the Americans. Recently, Raul Roa wrote a note in Geneva saying that any action by us would not be recognized because we are puppets of the Americans. These comments are in absolute contrast to the truth. We have enough excuses to take any steps in this direction. If we have not done so, it is for being prudent in international policy. We do not want to make waves right now.

[Montaner] President, thanks a million for your inteview.

[Endara] You are welcome. It has been an honor to meet with a person I have always admired, because I had the opportunity to read several of your articles, and I cannot think of any with which I did not agree.

Editorial Views Media's Manipulation of Justice

PA1603015390 Panama City LA ESTRELLA DE PANAMA in Spanish 13 Mar 90 pp 1, A4

[Editorial: "The New Manipulation of Panamanian Justice"]

[Text] For more than 20 years—to be more exact: from 11 October 1968 until 19 December 1989—the country's various public opinion sectors insisted that Panamanian justice was outrightly administered from the garrisons. It was always argued that real power was first in hands of the National Guard and then later in those of the Defense Forces. It could not be concealed that the three state branches followed precise orders from military leaders, who had been usurping power since 1968. The courts of justice did not escape this military control. Their verdicts were handed down, except on few ocassions, in agreement with the political interests of the moment. Panamanian justice, therefore, had lost its balance, impartiality, and strict interpretation of the Constitution and laws.

This situation led to the incarceration of many innocent people and their permanance in our jails. On occasion, this same control led many compatriots—who did not agree with the dictatorial programs that were being implanted in the nation—into exile. It is common knowledge that radical changes in government structures have taken place in Panama since 20 December, as a result of the U.S. invasion.

All Panamanians now know how these three branches should operate constitutionally to support the force of a true democracy. Three months after the events, we must refer to the operation of one of the most important branches. We are talking about the judicial branch and the General Attorney's Office. Although it is true that there is no direct interference from any other branch, there is no doubt that behind the scenes, a new modality in the manipulation of Panamanian justice has been observed in the numerous cases that are being tried at the General Attorney's Office, as well as at the judicial branch.

It is obvious that certain media are putting constant pressure on the courts. Although the directors of these media participated in, did business with, and profited from the dictatorships, they now want to becomes judges of a past in which they were involved. Certain political figures are also participating in this new modality. Giving free rein to their morbidity and whims, they freely make accusations and pressure prosecutors and judges so those allegedly responsible for wrongdoings get hastily sent to jail. It only takes one medium to become bent on spilling over its pages or airing on its hertzian waves an avalanche of slander and insults against a former public official, for prosecutors and judges to immediately adopt a legal position, a position that leads them to order a preventive arrest warrant and deny these officials the benefit of appeal for their defense. Panamanian justice, pressured by the media and the professionals of revenge, appears to be wearing blinders, nearsighted, and deaf. The classification of crimes seems to be more in the hands of the accusers than in those of competent courts. There have been no acquitals since the courts were established. When cases are first presented, the prosecuting office makes an appeal, the higher court rejects it. [sentence as published] The new way in which the media are manipulating justice is crystal clear. In the face of this, justice seems timid and unbalanced. Meanwhile, it is inadvisable to discuss cases in the media. It is a way of convicting a defendant before he is tried. This sets a bad precedent and prejudges the political or penal conduct of the accused. The manipulation of justice by the military has been bitterly criticized over the last 20 years. Nevertheless, thanks to the courts themselves, the country has fallen into the legal blunder of permitting other pressure sectors—certain media—to pull the strings of this important state branch. If this practice continues there will be no reconciliation, reconstruction, peace, or justice here.

Commentator Views Aid, Manipulation of Justice

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[From "Seeking the Truth" program with Julio Ortega]

[Excerpts] Esteemed friends, today's topic is what I consider an interesting issue because it will define....[corrects himself] We will try to define some things. Two interesting things happened yesterday. In the morning, the president of the Republic suspended his 13-day fast, gave an interesting explanation, and fulfilled his quota of commiseration with the Panamanian people. However, in the afternoon, another interesting thing happened in the United States, and today's media gives the information: President George Bush announced that he has sent a request to the U.S. Congress, and that he has signed an executive decree, to get the necessary funds from the Defense Department or the U.S. defense plans to give money to Panama and Nicaragua.

Those of us who saw the television broadcast live from the United States realized that the most important thing for Bush was Nicaragua. Panama was tagging along behind. If you analyze today's information in the newspapers, Nicaragua looks more important than Panama right now. You may ask: Well, what is the connection between President Endara's ending his act of commiseration in the morning and President Bush's announcement that aid is coming to Panama. We will apply deductive reasoning to find the truth, like the name of this program, Seeking the Truth.

When President Bush talked about the funds, it had already been reported yesterday that $500 million had been delivered to Panama, and several interesting things occurred. One interesting thing is that the Cable News Network in Spanish, which is broadcast on television channel 4, reported that the approval of funds for

Panama had a provision: President Endara had to assemble a broad-based government. That is another clue about the issue we are discussing. Then Univision, which is rebroadcast at 1900 by channel 2 with a lot of interruptions, discusses the same issue; and it sent a correspondent to the cathedral in Panama City, where he interviewed President Endara. It seems that Univision has information that the aid to be given to Panama has some strings attached. The correspondent interviewed President Endara and asked him if the aid has any strings attached. President Endara said, yes, he will try to find a way of, what I might call, strengthening or legitimizing his government; and that he will do it through constitutional reforms, through a plebiscite. He also said that he will have to reach some agreements to step up the anti-drug struggle coordinated with the United States even more. Endara also said that the reforms to the Panamanian banking law will have to be approved—meaning the one about bank secrecy. The president clarified that he does not think this is necessary, because even the numbered accounts may be analyzed through a judicial order.

Therefore, what do we have here? What are the clues? First clue: The president ends his fast. Second clue: Washington announces that the money will be sent. Third clue: The funds promised to Panama—which some call aid and others....[changes thought] Everyone calls it the way they want—have yet to arrive. The arrival of these funds has been announced since 27 December, and they are conditioned on several things. Some have been revealed. One, the president must assemble a broad-based government. Two, reform of the banking law. Three, the anti-drug struggle, and—something that is very important—what we might call the legitimization or consolidation or acceptance or whatever of the government through the electoral measure that the president may consider adequate, through constitutional reforms and a plebiscite. What does this prove, gentlemen? That the money that is happily announced today in the newspapers will not come until Panama has achieved the four goals to the U.S. Government's satisfaction.

One of the things I want to mention this morning is that the broad-based government consists precisely of what was stated in LA ESTRELLA DE PANAMA's editorial on 13 March under the title "The New Manipulation of Panamanian Justice." The United States is a political country in which Bush has an opposition, and there are many people in the United States who do not agree with the invasion, who do not agree with the Bush administration's policy toward Latin America and who are quite concerned because the United States invested more than $200 million in the invasion of Panama and will now give an additional $1 billion and then $800 million more.

The funds come out of the U.S. budget, but this does not solve the problem of the homeless and unemployed in the United States. Therefore, Bush is facing internal pressure and U.S. politicians must legalize their actions. This morning I want to respectfully draw the attention of the president of the Republic, the minister of government and justice, Attorney General Rogelio Cruz—my friend before he became attorney general—the president of the Supreme Court of Justice, and Dr. Aura Feraud, prosecutor for the administration. I believe, and I am almost convinced, that the way in which justice has been manipulated in Panama is one of the obstacles faced by this government to get the United States' support that the Panamanian people expect—and that they justly deserve after the 20 December genocide.

LA ESTRELLA DE PANAMA's editorial said—and I want to add to it and support it with international juridical grounds, because we have a problem here—the problem is that we are making comparisons to see if the injustices and mistakes of the past are equal, less, or more than current ones. That is a terrible mistake and it does not allow us to find solutions. It is not a matter of finding who has behaved the worst. It is not a matter of learning who has been the worst. It is not a matter of learning who has been more of a dictator, who has been more injust. It is not a matter of comparing to learn who was the worst thief. That is a different problem. What we have to find out is if the mistakes of the past allow us to make corrections and improve things for the future. It is not a matter of saying that so and so should be in jail, or if so and so is a thief. That is not my problem. That is a problem for the courts. Since the courts, like LA ESTRELLA DE PANAMA's editorial said yesterday, are manipulated, then there is no justice. We are talking about laws and rights, and the law is being enforced unjustly to persecute, intimidate, coerce, and violate the rights of those who can be accused of anything. We will now refer to international laws that uphold LA ESTRELLA DE PANAMA's editorial. [passage omitted]

Esteemed friends, we did not come here this morning to defend anyone. If we ever use anyone as an example, that example is to clarify, not defend. I sincerely believe that we are not defending anyone here. We seek the sublime goal of true justice in which the integrity of the people is not destroyed through what LA ESTRELLA DE PANAMA's 13 March editorial calls retaliatory measures, morbidity, whims, pressure, and attitudes that are myopic, deaf, and narrowly focused. [passage omitted]

Superior men advance undeterred, and that is what I want this government to do. I want it to be superior and advance undeterred because if it does not advance, the gringos will give us no aid, no money, and—hear me well—they will oust the government. It is that simple. I hope Ambassador Deane Hinton hears this program. He had just arrived after a great experience in El Salvador and Central America. I hope General Marc Cisneros and General Max Thurman are listening. They make the decisions and they send the reports that things are not being done right here. That is why the aid to the government is subject to conditions. [passage omitted]

The president of the Republic, the government, the attorney general, the Supreme Court president, and Ambassador Hinton, who represents the U.S. occupation

forces in Panama and who is really the one who rules the country, must know that norms of international law are being violated here—norms that have been recognized and approved at the United Nations. Also, the concept of justice is being used here to persecute people and to negate justice; people are being held under arrest without legal justification; safe conducts are being denied in violation of international agreements; and people are being persecuted. The previous government simply arrested a person, put him aboard a plane, and expelled him from the country. Now people are not even allowed to leave the country.

Therefore, the right to asylum, human rights, the right to justice, and the right to defend yourself are being violated here. People are presumed guilty until they are proven innocent. As long as those juridical, legal, constitutional, and international mistakes are being committed in Panama, this government will not receive anyone's recognition, the Americans will not give any money to Panama, and what LA ESTRELLA DE PANAMA's 13 March editorial says will occur. I fully endorse the paragraph which reads: If this continues, there will be no reconciliation, reconstruction, peace, or justice here.

Comptroller General Reports on National Finances

PA1503130190 Panama City EL PANAMA AMERICA in Spanish 7 Mar p 1A

[Report by Maricarmen Sarsanedas]

[Text] Ruben Dario Carles, comptroller general of the Republic, on 6 March released a general report on the finances in our country which emphasizes some criteria to consider for the country's reconstruction.

Among the recommendations made by Carles are: The elimination of sinecures; the establishment of maximum salaries; the elimination of benefits and privileges to special or particular sectors; the revision of the special retirement program; and only one salary for retirees working in the public sector.

Regarding the foreign service, Carles suggests: The reduction of the diplomatic consular service to the minimum level required; fixing a maximum on the salaries received by consuls; placing the awarding of merchant marine certificates under Panamanian consular agents; and eliminating and reducing positions in the consular and diplomatic services and in international organizations.

Other measures regarding state-owned entities would be the supervision and audit of projects, restrictions in the casinos and the elimination of casinos in low-income neighborhoods, contraband control, privatization of deficit-bearing state-run companies, and the auditing and reporting of all state companies.

Comptroller General Carles specially outlines the audit and closing of the accounts of Cerro Colorado, Cofina [National Finance Corporation] projects, Bayano Corporation and other bankrupt entities such as the Van Dam bridge and the Panama Hotel.

Regarding public sector spending, the report establishes: The elimination of military expenditures and the redefinition of the concept of canal defense; a reduction in bureaucracy and government spending; monitoring and controlling public spending, purchases, the budget, and rent of public offices; and the printing of lottery tickets by a government entity.

The comptroller general urgently requests the refinancing of the commercial foreign debt, the establishment of incentives and real guarantees to attract foreign and national investment, the revitalization of the banking center, the elimination of the monopoly on exported hides, and purchasing and contracting through public bids.

Finally, one of the most important recommendations of the report includes an examination into the Integrated Public Health Social Security Institute Program to make the structural adjustments imposed by the international organizations, which means dismantling the existing policies.

Argentina

Government To Reorganize Ministry of Economy

PY1603023590 Buenos Aires BUENOS AIRES HERALD in English 15 Mar 90 pp 1, 5

[Text] NA-DYN—Economy Minister Antonio Erman Gonzalez revealed yesterday that all the Secretariats within the Economy Ministry will be eliminated to make room for a new "cabinet of advisers," most likely presided over by ex-Central Bank President Javier Gonzalez Fraga.

Gonzalez indicated that he would "assume more responsibilities" but not more power and that the proposed cabinet "will be comprised of a team of the most prestigious economists," who will lend their talent to monitor the functioning and progress of the government's austerity programme.

Last night, sources indicated that the Minister asked for and received the resignations of all the Secretaries and Undersecretaries within the Economy Ministry, leaving his hands free to carry out the ministerial reorganization, which according to the sources will be effected in a "very short" period of time.

In statements to local radio, Gonzalez also said that he "lamented" the decision of Deputy Economy Minister Hector Gambarotta to resign and revealed that he had asked him to take a 24-hour "cooling-off" period to reconsider the resignation he presented on Tuesday [13 March].

Another resignation, that of Industry Undersecretary Carlos Alberto Castellani, was announced yesterday morning, presumably as a result of tensions between that official and Industry Secretary Jorge Pereyra de Olazabel.

In a press release Castellani indicated that the reform of the state should not "asphyxiate" the private sector. It is assumed he will resume his former post as treasurer of the Argentine Industrial Union.

Gonzalez, meanwhile, met yesterday with Javier Gonzalez Fraga and after the two officials went together to see President Carlos Menem where they apparently discussed the "final touches" of the ministerial restructuring which will involve the phasing out of 53 Secretariats, leaving the Economy Ministry with six Undersecretariats and the planned advisory body.

Gonzalez also hinted that the Central Bank "will also need restructing" within the framework of changes planned for the entire official and private banking system.

Army Chief Suffers 'Neurological Difficulties'

PY1503185290 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1545 GMT 15 Mar 90

[Text] Buenos Aires, 15 Mar (NA)—Guemes Hospital has just issued the following medical report on the condition of General Isidro Caceres:

"Dr Rene Favaloro reports that the cardiorespiratory observations of Gen. Isidro Caceres remain stable. The patient's brain functions have suffered a significant deterioration in the past 12 hours.

Another report will be released tonight."

The Army General Staff has reported that the Army chief "suffered neurological difficulties that have caused a change to his condition."

Bonnet Named Acting Chief

PY1603022190 Buenos Aires BUENOS AIRES HERALD in English 15 Mar 90 pp 1, 11

[Text]NA-DYN—Army Chief-of-Staff Isidro Caceres' health condition was yesterday reported as "stable" after being operated on for an aorta aneurism, which endangered his life, and chances for recovery now rest on the patients' response during the next few hours, official sources said.

Reports from the Guemes clinic—where Caceres is confined after the operations performed by heart surgeon Rene Favaloro and his team—stated the top rank officer was in guarded condition, his condition being as expected given the nature of the serious disease involved. Caceres' relatives in turn, said that the patient's condition was normal immediately after the operations and that he spent the night quietly.

However, unofficial reports from the clinic said Caceres was "in a deep coma" and breathing with the help of a respirator.

Doctor Raul Fernandez, allegedly in charge of the military officer's recovery, issued these statements to Radio Nihuil in Mendoza, adding that the patient was receiving medicine to maintain his blood pressure and that his condition was "extremely delicate."

After some attempts to avoid tackling the question, High Command sources admitted that Caceres' condition was very serious and that he had not yet regained consciousness.

For his part, Favaloro denied that Fernandez belonged to his team or the Guemes hospital's cardiovascular recovery staff.

Meanwhile, Army Deputy Chief-of-Staff Martin Felix Bonnet has taken over the force's leadership for at least the next 45 days, the estimated period for Caceres' recovery according to military sources.

But in fact Caceres might not be able to resume his tasks after this illness, doctors who preferred not to disclose their identity revealed. Therefore talks are currently being held by both the government and the Army's higher echelons to decide on the next steps to follow.

In reference to this issue, Presidential Chief-of-Staff Alberto Kohan stressed that in case Caceres cannot resume his functions after recovery, it will be the President who will choose the man he considers most suitable for the position.

Menem Holds News Conference With Spanish Leader

PY1503190490 Buenos Aires TELAM in Spanish 1818 GMT 14 Mar 90

[Text] Buenos Aires, 14 Mar (TELAM)—President Carlos Menem said his government "will not declare illegal" any strike that the Saul Ubaldini faction of the General Confederation of Labor [CGT] may stage. He asserted that this type of decision "will not make his government give up" its economic program.

Asking the media not to include all the union leaders but only "a certain sector of the Argentine unions," Menem said the workers are "within their rights in staging protests and even in adopting strong-arm measures. This, however, will not make us falter," he said.

Menem said: "This legal government, in which all liberties are in full force, will by no means declare a strike illegal."

Menem said: "The strikes that may be staged by the CGT Azopardo faction are the exclusive responsibility of friend and comrade Saul Ubaldini and of all people who support this measure." He pointed out that "they can stage one or a thousand strikes in this difficult situation for the Argentines, but they will not make us change our mind.... We may achieve something through dialogue, but absolutely nothing through force."

"Their words or attitudes will not frighten me. Our proposal is very clear: We will meet our objective no matter what the attitude of the labor union or of any other sector of Argentine enterprises," Menem said during the news conference he and Spanish Prime Minister Felipe Gonzalez hosted this morning.

Menem pointed out that "at no time" did U.S. Vice President Dan Quayle "compel" him to talk with Cuban President Fidel Castro on the El Salvadoran situation, as an international news agency has reported. "He asked me to talk with Castro and we will talk with him, but at no time did he asked us to bring pressure on him," Menem added.

Menem said his economic policy "is not in keeping with" orthodox liberalism, but that it is "a proposal, a humanized capitalism aimed at the development of the huge Argentine potential through a popular market economy."

Concerning foreign debt negotiation, Menem said that "the time has not yet arrived" for Argentina to negotiate in the framework of the Brady Plan, as it has in Mexico. He added that as soon as the negotiations with the foreign financing organizations conclude, we will analyze the "possibility" of implementing a program "with the same name but much more harmless."

Felipe Gonzalez stated that this meeting with his Argentine counterpart was "extremely" useful because it helped to overcome "all possible formal obstacles" to the bilateral cooperation treaty. He said some of the projects will be "implemented" within two months and that these projects "will be of interest to the public and private sectors."

Gonzalez said the success of an economic policy and the recovery of confidence are achieved with "perseverance," and by maintaining certain rules "that are so clear that one gets bored hearing them, even during very difficult moments."

Regarding this, Gonzalez said "we will need five more years and some 10 years of steady growth and economic balance" to talk about "a certain success" for the Spanish economy.

Gonzalez said he did not promote a "neoliberal" government but the "liberalization" of the Spanish economy: "Our borders were closed for 150 years because we believed that in this way we protected our country's interests. We then decided in an unorthodox, rather than in a neoliberal, manner to open the borders because we found out that it is better for enterprises to compete."

Justicialist Chairman Criticizes Economic Plan

PY1603024290 Buenos Aires BUENOS AIRES HERALD in English 15 Mar 90 p 5

[Text] DYN—Justicialist Chairman Antonio Cafiero admitted yesterday that the present economic plan lacks an "appropriate social policy" since the programme has not yet arrived at "the necessary equilibrium."

"Adjustments are always painful and inevitable," he said, "but it is true that the poor are the ones being hit at present while other privileged people are above this anxious situation."

The Buenos Aires governor also stressed that circumstances "encourage popular protest" that sometimes acquires "unpleasant tints", alluding to criticism issued by Azopardo General Labour Confederation (CGT) Secretary General Saul Ubaldini.

Cafiero also forecasted that if the government does not "restrict the businessmen's behaviour", the official stabilization policy "will be very tough to implement."

In statements on Radio Mitre, the leader of the renewal faction of the Justicialist Party attributed to businessmen a "significant social role" regarding the lowering of prices that should being to be felt within the next few days, as the result of the dollar's decreasing trading quotation.

Consulted about his opinion on rumours indicating that ex-members of the Montoneros revolutionary group and even people linked to the Army's Carapintada [Painted Faces] faction have recently distributed food supplies and money to shanty town inhabitants, he responded "these things by no means disturb us."

"Taking advantage of the people's necessities represents an old technique to do politics and as long as they respect the constitution, one cannot oppose these practices," he declared, "but I am confident that the Argentine people are much smarter than what these pseudoleaders believe."

Finally, consulted about the withdrawal of Hector Gambarotta—enrolled in the renewal faction and former Deputy Economy Minister—Cafiero pointed out that "internal affiliation within a political party is always very flexible, which means that only personal behaviours are at stake rather than entire political factions."

However, he recognized as negative the changing of five Central Bank presidents in just nine months of government and stressed that "no relatively stable country evidences situations like this."

Brazil

President Sarney Delivers Farewell Address

PY1503181990 Rio de Janeiro Rede Globo Television in Portuguese 2255 GMT 14 Mar 90

["Full text" of outgoing President Jose Sarney's farewell speech to the nation from Brasilia; date not given—live or recorded]

[Text] Brazilian men and women:

Overwhelmed by great emotion, I address you to say that I will reach the end of my journey tomorrow, when I will hand over the government. I have a tranquil conscience because I have headed the government with the courage to be tolerant,to use patience as a weapon, to use the strength of my faith, to behave honestly, and to fulfill my duties with austerity. I have lived a monastic life in which I faced the responsibilities of my position with the respect I have for the liturgy.

I want you all to recall the ceremony during which I was installed on 15 March 1985. On that day I said: I am looking at reality with yesterday's eyes. My God has wished me to witness this moment. I have never dreamed of being the president of the Republic.

As a result of the illness and death of Tancredo Neves, I had to govern the country and to face the gargantuan task of coordinating heterogeneous forces in a period of demands, hopes, and violence. I had to make the country stable and governable. With firmness, I faced this huge challenge.

Tonight I can look back, and I now see that I have reached the end of this road and that I can see all that has happened in these five years. The mysteries that destiny had hidden from me are now unveiled. Divided between perplexity and my sense of duty, I asked myself in those days what would happen in these five years? What goals would we achieve? What difficulties awaited me? Deep inside, I braced myself to face this unknown destiny.

I have experienced each day's agony and each minute's difficulties. I have lived bitter days when tears were shed, flowers withered, and friends abandoned me. I have had hours of disenchantment that neared despair. Nonetheless, there have also been days of dreams, hopes, loyalty, cheerfulness. We have had the opportunity to witness attitudes of generosity; we have shared the purest joy resulting from success and victories.

There have been days when I suffered defeats and losses. There have been days of turpitude, but I did not surrender. I had to be worthy of myself and of my fate and finally reach this port at which we have now anchored. There is a time to sow and a time to reap. The harvest may seem more glorious, but the sowing is when one determines the quality of what we will harvest. In a time of multiple changes, at home and abroad, I often had to sow but seldom had the opportunity to reap. I have sowed the example of political patience which was essential for democratic coexistence. I have sowed the winds of freedom that have swept over the entire country. I have sowed the institutional reforms that were implemented without hesitation. I have sowed the example of respecting—to a sometimes exaggerated degree—freedom of press, freedom of the radio, and of television. I have sowed conciliation and tolerance in an effort to establish the broadest democratic coexistence ever experienced in this country. Limits were established to the powers of the presidency so that the power of the people could be increased. Society freed itself from all fears. I have sowed the example of tranquillity and understanding. I have sowed the example of magnanimity, of love for the fatherland, of political education. I preferred to suffer injustice rather than to commit injustice, to be silent rather than to silence others. I am now proud of having contributed—through my personal behavior—to the peaceful reunification and reconciliation of a society that had been divided by hatred, resentment, bitterness, and arrogance.

The president of the Republic must be the arbiter and not the protagonist. What many believed to be weakness was in reality the force of courage to implement these radical changes in national life. We had to open up spaces for the unprotected and destitute majority and to give them the real capacity to express their opinion, to take part in national life, to decide the destiny of the country, instead of simply having the formal right to

vote. We are now having a democracy in Brazil which was reached through votes. Previously, our democracy was a formality.

A new era has begun in the country. Monopolies and privileges are over. The workers have organized themselves into unions and are now free to voice their demands. The government has withstood the most violent attacks and injustices done to it, because we knew those attacks and injustices were part of a transition period. Democracy—for which each one of us yearned—has spread thoroughly and reached all sectors. The people have organized themselves in these five years into neighborhood, housewives', residents', religious, peasants', workers', businessmen's, small industries', productive sector, professional, student and intellectual associations. Thousands of new labor unions were created.

In other words, all segments of our society began to take part in national life. The democratization of society and the changes experienced by society have created new social relations. We are now breathing the air of freedom as we have never before had the chance to do in Brazil. The new era put an end to the days of fears, of disruptions in the institutional order, of coups d'etat, of conspiracy, of frauds, of governmental interference to influence and distort the will of the people, of dishonest electoral maneuvers, of political underdevelopment, of plotting to remain in power.

The freedom we have won is a new page in our history. History records not only those who built roads, temples, and monuments. It also celebrates those who created systems, opened paths, led their administrations with appropriate conduct, built up and consolidated the democratic institutions, and respected human rights.

Brazilian women and men,

Brazil has awakened from a long sleep without the red eyes associated with nightmares. Brazil now has the open smile of those who trust their liberty, their future, and their progress. Economic problems are ephemeral, they only affect the present moment, they are constantly changing, they can be solved at any moment. Freedom, however, affects the present and the future. Those who lose their liberty lose their future and are afflicted with destruction, with disenchantment, with pessimism, and with the permanent fear of becoming slaves. Freedom, with its unrestricted creative power, has wings to fly into infinity. No other president of this country will ever have to face the prejudices and distrust that I have had to face.

I would like to quote Abraham Lincoln, who said: "If at the end, when I come to lay down the reins of power, I have lost every other friend on earth, I shall at least have one friend left, and that friend shall be down inside me." I know, following Saint Paul's example, "I have fought the good fight, and I have kept my faith." I feel comfort in knowing that the man who refuses God's company is accursed.

My term in office, which ends tomorrow, has been my life as well as a bitter fight. I leave our country in peace, and the transition to democracy is complete. However, we are unfortunately in the midst of an economic and administrative crisis. Historians will comment on this era, which I am sure will be mentioned as an example of democratic institutions, because all human achievement is a mixture of time and patience, as Balzac said.

I now say farewell to the Brazilian women and men. Unlike at my swearing-in ceremony, I now have my eyes on the future. My eyes are on the future of our country. I am sure Brazil will overcome all of its difficulties. We all have a common task, and that is our common welfare. I will always be ready to work at that task as a citizen. As a chief of state, I have done everything possible to help the country overcome its difficulties. This is what I have been doing. If there have been complaints they were aimed at me. I cannot defer these complaints to the nation. This is the way I have been acting and this is the example I want to set for all of you.

I want to wish my successor—Dr. Fernando Collor de Mello—success. I hope that he may not have to face the same difficulties I have had to face.

I will now return to Maranhao, my home state. My fatherland begins there. Humbly, humanely, serenely, without resentments, without fear or rancor, with love and gratitude to inspire me throughout the rest of my life, I will hold my head high, as a soldier who is at the service of his country's freedom. Now, I am not concerned with what I have done and what I have not done. The future will show whether I was right or wrong.

I wish all Brazilian women and men peace; internal peace, and peace for the country. I offer you my love and my gratitude. If I could, I would shake hands with every Brazilian. I would offer you all the hand of a brother, of a friend, of a citizen, of a person whose heart is filled with the purest joy of having fulfilled his duty.

At the moment of saying goodbye, the minstrels of my home state sing these verses, which I will use as a handkerchief that I will wave as I leave behind one more port in my life:

Goodbye, I am leaving now.
It is time to say goodbye.
As the day says goodbye
When night is falling,
I must tell you goodbye.
May the Lord protect Brazil and its people. Thank you very much.

New Ministers, High-Level Officials Sworn In

PY1603035090

[Editorial Report] Rio de Janeiro Rede Globo Television in Portuguese at 1442 on 15 March carries, as an integral part of its live coverage of the inauguration of Brazilian President Fernando Collor de Mello, the five-minute

ceremony to swear in the following ministers and officials:

Ministers:	
Justice	Bernardo Cabral
Navy	Admmiral Mario Flores
Army	General Carlos Tinoco Ribeiro
Aeronautics	Lieutenant Air Brigadier Socrates da Costa Monteiro
Foreign Relations	Francisco Rezek
Education	Carlos Chiarelli
Health	Alceni Guerra
Economy, Finance and Planning	Zelia Cardoso de Melo
Agriculture and Agrarian Reform	Joaquim Roriz
Labor and Social Welfare	Antonio Rogerio Magri
Infrastructure	Ozires Silva
Social Action	Magarida Maria Maia Procopio
Other officials:	
Armed Forces chief of staff	General Jonas de Morais Correa Neto
Presidential secretary general and secretary for regional development	Ambassador Marcos Antonio Coimbra
Consultant general	Celio Souza Silva
Secretary of culture	Ipojuca Pontes
Secretary of science and technology	Jose Goldenberg
Secretary of the environment	Jose Lutzenberger
Secretary of sports	Artur Antunes Coimbra
Secretary of federal administration	Joao Santana
Secretary of strategic affairs	Pedro Paulo Leone Ramos
Presidential military household chief	Brigadier General Agenor Francisco Homem de Carvalho
Presidential chief of staff	Claudio Francisco Vieira

Following the swearing-in of the new cabinet, and other high-level officials who will answer directly to the president, President Collor goes to the balcony of Planalto Palace to address the crowd.

President Collor Delivers Inaugural Speech

PY1503175790 Rio de Janeiro Rede Globo Television in Portuguese 1301 GMT 15 Mar 90

[Speech by President Fernando Collor de Mello to a joint session of Congress at the Congress Building in Brasilia immediately after being sworn in as president—live]

[Text] Your Excellency, President of the National Congress; Your Excellency, Vice President of the Republic; Your Excellencies, Chiefs of Foreign States and Governments; Your Excellency, President of the Chamber of Deputies; Your Excellency, President of the Supreme Federal Court; Your Excellencies, Chiefs of Special Foreign Missions; Your Excellencies, Members of the Presiding Board of This Session; Your Excellencies, Senators; Your Excellencies, Deputies; High- Ranking Authorities of the Republic; Ladies and Gentlemen:

I return to this house, where I lived an intense political experience, to accept the most honorable and most difficult challenge to which a public man can aspire—the Presidency of Brazil, delegated to me by the people.

I bring to the Legislative Branch—before which, in accordance with the Constitution, I have just assumed the Presidency of the Republic—my appreciation and my homage. I firmly believe, Senators and Deputies, that the dignity of the administration essentially requires a solid respect for the two other branches of government, the legislative and judicial branches, which are traditional, autonomous [applause], and indispensable for political harmony and for the good of the Brazilian nation.

I am proud of having been a member of the Chamber of Deputies, where my grandfather, Lindolfo Collor, had an outstanding career. I also take great pride in the memory of the fruitful years that my father, Arnon de Mello, dedicated to the Federal Senate. [applause]

I would not know how to govern without the continuous cooperation of Congress, the birthplace of law and the mirror of pubic opinion, whose independence is everywhere a symbol of freedom and an evidence of democracy. [applause]

The Brazilian democratic transition that culminated with the presidential elections late last year would have been inconceivable without the vitality of Congress—which was converted into a Constituent Assembly—in which everyone acted with civic vigor, and which, thanks to the diligent work of its coordinator, gave birth to a fecund and inspiring constitutional text.

The Brazilian democratic transition would also have been inconceivable without the strict oversight of the Judiciary Branch, which—through the Superior Electoral Court, presided over by a justice of the Federal Supreme Court in an exemplary way—clearly and correctly organized the elections that restored to the Brazilian people the right to choose their ruler.

Finally, the firm will of the people was necessary so that the democratic transition could be completed without institutional conflicts. Let my respect and consideration go to all the organized sectors of society that struggled and worked for the victory of democracy. I send my appreciation and praise to each one of my countrymen who—not having lost hope or civic spirit—made possible a transition in peace, without violence, despite the great economic difficulties they had to endure all that time.

My election mirrors and confirms the civic liberties. I expect the political parties, organizations, and citizenry

to act with their best sense of public interest. For my proposals, I wish to have conscious, well-founded, and sincere support.

Equally, I also need criticism guided by an objective and rational evaluation of the measures I shall propose. I am certain that the support and criticism will always be inspired by the patriotic determination to cooperate in the collective construction of our future. This is the way it is in the great democracies, and this is the way it should be in Brazil.

Elections should not result in insurmountable divisions and bitterness. The legitimacy of the process means not only that the results of the election are legally binding, but also that the people and the political leaderships may expect that the elections will not conclude with the celebration of the winners and the discouragement of the losers, but with the renewal of everyone's confidence in brotherhood and the will of everyone to build a better, more socially just, and happier country. [applause]

Members of the National Congress, it is my duty to present a summary of the proposals I made as a candidate and as president-elect: the guidelines of my project for national reconstruction. I will try to concentrate on basic issues in order to give you a clear picture of the great issues of my program, which was approved by the majority of the voters in November and December 1989.

Those basic issues are democracy and citizen's rights; inflation, the greatest enemy; the reform of the state; economic modernization; the ecology; the challenge of the social debt; and, finally, Brazil's position in the modern world.

My first and invariable commitment, absolutely invariable, is to democracy—to restore democracy in Brazil. [applause] By restoring democracy in Brazil we are going back to our best traditions of law, freedom, and justice. By trying, from now on, not only to maintain democracy but also to improve it, not only to honor it but also to enrich it, we will be placing Brazil in the vanguard of a historic process of unusual dimensions, because what we are experiencing at the end of our 20th century is an era of democratization.

Authoritarianism is gradually disappearing and freedom is appearing everywhere. Brazil, which is one of the greatest democracies in the world, cannot but be in front of this universal movement for the liberation of humanity, for the spread of the priceless practice of self-government, for the state of law, and for unrestricted respect for human rights. [applause]

Now more than ever the principle of democracy has been revived by the practice of the people. We are witnessing the victory of the republican ideal and the decline of the messianic policy. We no longer try to save mankind through politics nor achieve the illusion of a social paradise through the voluntaristic hypertrophy of the functions of the state. Socialism as a utopian vision is in retreat, and it is wisely being replaced by socialism as an ethical and humanitarian concern. [applause) However, the republican ideal, the civic spirit, and the idea of citizenship persist in the hearts of democrats.

Because democracy cannot set its roots in a cynical society, it can only flourish and bear fruit in a civic community with a sense of the common good and a respect for collective interests. It can only flourish when legitimate social conflicts—which are inevitable in a modern, heterogeneous, and complex society—are not confused with the predatory chaos of ambition without greatness and pressures created by selfishness.

Citizenship is the right of the individual for republican coexistence, free dialogue, justice, and mutual respect among people and groups. This is why I will make an effort to govern without ever losing sight of the value of citizens. In our past, power was almost always exercised mainly to strengthen the state. The time has come to exercise it to strengthen the nation, which embodies its citizens. It is not enough to govern for the people; it is necessary to reconcile the government with the people, the power with the citizenry, and the state with the nation. This is our sacred commitment.

Nevertheless, it is true that the republican tenets and the civic spirit presuppose a given moral atmosphere. It requires a given capital of confidence and stability. Such confidence and stability do not exist in the atmosphere of chronic inflation that Brazil has been experiencing for years.

The culture of inflation feeds on selfishness, vicious individualism, and shameless shortsightedness. It is a cynical culture, one that will not admit civic tenets. It encourages profits and, at the same time, discourages investment and a productive mentality.

Inflation disorganizes and demoralizes us. It is said that inflation is the cruelest tax. It represents permanent aggression against wage earners, against the majority, the vast majority, of our people. The poorest classes are precisely the ones that are unable to defend themselves from inflation and resort to other means.

In addition to this, inflation is a huge factor for demoralization—internal demoralization, due to the erosion of wages and the shameless, indecent speculation [applause]; and external demoralization, due to the unending erosion of Brazil's international image. A country that accepts perpetual coexistence with an inflationary spiral can be respected for its size and potential, but never for its performance.

Nothing is more repugnant to the citizenry's spirit than corruption, prevarication, and job handouts. [applause]

Your excellencies know very well that the struggle for the morality in public service was one of the banners of my campaign, because I felt from the beginning, when I still was a governor, the profound and just rebellion of the Brazilian people—from north to south, in the cities and in the countryside, and in every social class—against

those who occupy public posts and ill serve the state through bossiness, absenteeism, self-interest, nepotism [applause], or mere idleness. The Brazilian people rebel at paying for the state to provide superfluous functions that are the result of the untiring imagination of those who insist upon conceiving the state as a tool for personal or family gain. [applause]

I will order a strict survey and the streamlining of the public sector as evidence of my respect and homage for true public servants, those who zealously and meritoriously dedicate themselves to the tasks of the state, and who must never be confused with those who fill their pockets while occupying wonderful posts with spectacular salaries without performing any social service.

I will lead a government that will make austerity, along with efficiency, a permanent trademark of the state's performance and a reason to be proud of federal public service.

My government's immediate purpose, gentlemen, the number one goal during my first year in office, is not to curb inflation, but to eliminate it. [applause]

I will concentrate all my energy in the Executive Branch, and I will ask the full support of Congress to finally eradicate from the Brazilian economy the noxious weed of inflation, our old indulgence for the money-printing frenzy, and the public deficit.

As president, I will do my utmost to achieve victory over this social cancer, this intolerable obstacle to the decisive resumption of our economic and human development.

Gentlemen, I will make monetary and financial stability an absolute priority in the initial steps of this government. [applause]

Others have already tried to struggle against inflation, but they made this struggle a conditional objective. This will not be so with me. The struggle against inflation will be an unconditional struggle, precisely because it involves the entire country, the resumption of investment, the strengthening of growth, the achievement of a better society, and the strengthening and survival of democracy itself.

During the campaign, during the campaign combats, I was able to clearly see that the Brazilian people want to eliminate the circus of expenditures, money printing, and rising prices. I know that if we are to stop this we will encounter many powerful interests but I will never relent in the pursuit of this objective and I will never depart from this goal which would alone justify the historical significance and the social concern of any government and any president. I will either win or lose to the extent that this challenge will be met without delay and without pause. I am certain that, with the determined support of the people and Congress, we can deal a mortal blow and destroy the roots of inflation in our country—and do so this year, gentlemen. [applause]

Your excellencies know the agenda of basic measures with which I will attempt to exterminate the inflationary scourge. We will not be able to structure a financial stabilization without first putting the state finances on sound footing. It is imperative that the federal budget is balanced, which presupposes drastically curbing public expenditures. To attain a balanced budget, the size of the state apparatus must be tailored to the state revenues, but this is not enough. Above all it will be necessary to end the concession of benefits and the granting of privileges which, independent from their merit, are incompatible with the revenues of the state.

When we attain a balanced budget we will certainly have taken a gigantic step toward defeating inflation by doing away with feverish money printing and by controlling the floating of public debt securities.

All this, Messrs. congressmen, presupposes a comprehensive strategy of state organization reform. To bring about a sound state financial situation, I will undertake a triple reform; namely, fiscal, administrative, and reform of state property assets. The hard truth is that in the Brazil of the 1980's the state not only overstepped its functions, it also lost its historical usefulness as a complementary investor and its ability to invest. More importantly, its erratic and perverse actions inhibited both domestic and foreign investments. This perversion of state functions, aggravated by a singular decline in the state ability to obtain resources, prompts an urgent redefinition of the role of the state apparatus. I believe, quite simply, that it is primarily up to the private initiative, not the state, to create wealth and to energize the economy. The state's role is to plan, without trying to direct [applause], the development and to ensure justice in the broadest and most substantive meaning of the word. The state should be continuously swift in guaranteeing the availability of essential goods to low income people.

The state should facilitate home ownership, food, health care, education, and collective transportation to all those who need to attain or maintain a dignified standard of living with equal opportunities. To fail in this would be to fail to speak of justice as a social freedom to all and for all. I understand the role of the state as a promoter of collective well-being, not as a producer of goods— hence my conviction that the market economy is a superior form of creating wealth and intensive, self sustained development. This is why, on the international stage, the open economies are the most efficient and competitive. They are also able to offer a good standard of living to their people through a better distribution of income.

We do not harbor any colonial prejudices against foreign capital. On the contrary, we want to turn Brazil into a hospitable country for foreign capital, without, of course, extending privileges to it. We will not discriminate either for or against it.

We hope to obtain foreign capital and thus diversify our industry, create more jobs, and obtain technology for the benefit of Brazil and the countries of the Third World. [applause]

In other words this proposal of economic modernization through privatization and an open policy is the hope for fully achieving the political freedom which was recovered with the democratic transition, yet with broader and more effective economic freedom.

Privatization must be complemented by a deregulation of economic activity which will be an incentive for the market economy, create more income, and alleviate government deficits—considered essential in the struggle against inflation. This will cause corruption to bow to competition.

There is a medieval slogan which still prevails today: The state punishes all injustices except those committed by the state.

I see the ecological issue as one of the basic limitations on the free development of the productive forces, and on the drive and expansion of the market. The protection of the environment, and the alarm over the ecological drama of the planet, is not for us an artificial illusion. I belong to the generation that sounded the alert against a situation that was heading toward ending life on earth. The urgency which my government will give that issue reflects the growing concern of society, and particularly of Brazilian youth. This is why I made this issue into the cornerstone of my presidential campaign.

During my recent trips abroad as president-elect, I emphasized that the ecological issue cannot be discussed between governments in a recriminatory manner as if countries were divided between innocent and guilty on this serious issue. I also said that the military budgets of the countries of the north alone would be enough to clean up the earth. [applause]

I also pointed out that, in spite of the simplism of unilateral accusations, Brazil will always be willing to engage in international dialogue and cooperation on the ecological issue. At the UN and other organizations we will be among the countries making the greatest efforts to find objective and intelligent solutions to reconcile development, which is the only way to rescue our peoples from poverty and simultaneously preserve the environment. We will, without any hesitation, reconcile the defense of our sovereignty with a positive and not a defensive attitude, and face this great problem which affects the destiny of the whole human race.

I also expressed the sincerity of our objectives, saying that the Brazilian conservation plan not only includes the Amazon but also the Pantanal, the forest along the Atlantic coast, our rivers, and the jungle, seeking development without depredation. To emphasize the new importance Brazil gives to the ecological issue, I reiterated my proposal for an international tax on pollution and I personally invited the chiefs of state and heads of governments with whom I met to attend the UN conference on environment and development that will be held in Brazil in 1992. [applause]

Our new irreversible drive for development is based on two considerations: Ecology is one, and the other, members of Congress, is the struggle for social justice. I included this decision as an absolute priority for my government because it is aimed at creating conditions to rescue our clamoring and shameful social debt. Both ethic and national interest demand a complete change of mentality in this field.

Up to now, the primary attitude of the state and of the elite toward Brazil's social deficiency has been paternalistic. This paternalism, in turn, alternatively generates two types of approaches to the problem: either we relegated it to a secondary position in the naive belief that the improvement of the standard of living of the masses was automatically guaranteed by economic growth; or we tried to deal with poverty through distributive policies that were irresponsible because they were based on a primary populism, incapable of recognizing that true collective well-being and lasting social progress can only be secured and maintained by a high level of economic performance and, consequently, of general prosperity.

My generation no longer accepts coexisting with a Brazil that is an economic giant, but a social pygmy; living in the world's 10th largest economy, with social indicators that reveal so much misery, disease, and inequality. We do not conceive of modernization without its component of social justice; of progress that is not shared by everyone. My government's major goal is to free Brazil from the shame of misery and injustice. But since I am a modern democrat, not a populist demagogue, I realize that financial stability must be attained here so that investments can again inject new vitality into our productive apparatus. It is also imperative that the government be able to implement public policies. Only thus will we generate revenues and employment which, allied to good social policies, will rescue our poor people from the claws of scarcity and misery.

Let this position be clearly understood: I will not countenance the problem of poverty at the mercy of the market's automatic rules. I will not. The market, which is an excellent and irreplaceable producer of wealth, is not always a fair distributor of that wealth. But neither will we fall for an easy concern for the social without concern for the future; for ephemeral relief; for inconsequential redistributionism to the detriment of productive effort. We know that to this effect we can count not only on the understanding but on the full support of the broad-minded labor leaders of this country. From the motto of Juscelino Kubitschek—Democracy and Development—we want to move to the motto of modern Brazil—Democracy, Development, and Social Justice. [applause]

Education is one of the most archaic aspects of our current reality. My government will be determined not

only to fight illiteracy, the scope of which remains incompatible with the economic and technologic stage we have reached, but also to confront the problems of basic education and the quality of higher education. [applause] In this area, Brazil needs no less than an educational revolution to transform recognized priorities into a concrete and drastic reorientation of the state's actions. Resources have not been lacking, but rather the will for better allocation, so as to march faster toward the educational redemption of the poorest and lasting attainment of standards of excellence in higher education and academic research.

My Presidency accepts as one of its main commitments the bringing about of this educational revolution that is an indispensable factor in our immediate future.

Messrs. Congressmen, Chiefs of State and Government, Chiefs of Foreign Missions, ladies and gentlemen, I will now say a few words regarding Brazil's situation in the contemporary world. First of all, we should note the impressive changes on the international stage. The profile of a new East Europe brings to a close a phase in international relations that was dominated by the ideological confrontation between East and West. The Cold War has been finally buried. Alliances are being reviewed; alignments are being canceled.

New regions are preparing to adopt the market economy laws with democracy, respect for human rights, and preservation of freedom, which today are universal trends.

Monolithic power, interventionist governmental structures, and authoritarian remainders are retreating everywhere. In this dynamic picture, which is so different from that of 10 years ago, there is a trend toward the creation of large economic blocs. They are not necessarily closed blocs but new economic and political structures, to which each country will have to adjust its own competitive capacity.

In view of such transformation, which has accelerated the pace of history, it is necessary to find new formulas to give our country a position in the international community. The complexities of the moment are no justification for shy attitudes nor retreat. On the contrary, they call for new perception and for clear proposals which may attune our foreign policy to the objectives of national reconstruction.

Our foreign policy, as democracy demands, will respond to this moment of assertion of the will of the people, who urgently desire Brazil's modernization. The choices we will have to make will not only demand the drawing up of proper diplomatic guidelines but a firm commitment of national will.

One of the trends of our modern Brazil will be active participation in important international decisions, not because we aspire to play an hegemonic role or wish to exercise power, something Brazil has traditionally rejected, but because interdependency today demands that every government act requires a permanent combination of domestic and foreign variables. For a country with Brazil's dimension, with its determination to develop, there is no better alternative than to take an active role in international decisionmaking. These are the grounds on which I will define Brazilian foreign policy.

I will bear in mind the fact that we are experiencing a rare moment in world history which precedes the effective construction of peace and safety. Peace seems to be within reach, although a lot still remains to be done to definitely eradicate the causes of conflict. In keeping with its tradition, Brazil has a role to fulfill. I will insist on the idea that permanent peace will not be possible if not based on sound rules for harmonious coexistence such as the respect for sovereignty, nonintervention, the peoples' right to self-determination, the peaceful solution of conflicts, the loyal fulfillment of treaties, and full respect for human rights.

I will also insist that the foundations of this world of peace will only be solid if based on justice and a common effort to clear the planet of unfairness. The truth is that the dynamism of the new economic models still coexist with misery and stagnation—the causes of friction and conflict. Although we may have been disappointed by some of the paths taken, we must not stop trying. The desire for peace at a national level should be counterbalanced by our foreign policy. We cannot give up this desire for peace just because some say that it is not in keeping with the historic moment we are experiencing. The desire for peace is permanent and, to a certain extent, is a picture of history itself.

Brazil will be open to the world. We desire an ever expanding and competitive integration. Diplomacy will be intensively active at a bilateral and collective level, constantly seeking new ways of cooperation, whether in the fields of economics, science, or technology, or through political dialogue. This is a unique moment in Brazilian and world history, and diplomatic action plays a strategic role in bringing our country into the new times we are experiencing.

The incredible pace at which current changes at an international level are taking place increase the risk of being set aside or neglected. In view of this possibility we must make our plan and performance clear. We must definitely eliminate sterile and unrealistic speeches, advocating pseudo-nationalism that only leads to isolation, lack of confidence, and the short-sighted belief that one is self-sufficient.

The impressive dynamics of the changes currently underway in the international arena make even more serious the risk of falling into a situation of confinement and isolation. We must counterpose to this spectrum the clarity of our project and our performance. It is imperative to give up fruitless and unrealistic discourse, pseudo-nationalism leading to isolation, distrust, and the short-sighted illusion of self-sufficiency. On the contrary,

we must demonstrate Brazil's potential and vigor with facts. It is necessary that the world be convinced of the need to open the gates to Brazil, and that we believe in the advisability of opening ourselves to the world.

This willingness to open up, together with an effective fight against inflation and the defeat of the country's economic crisis, will be accompanied by clear rules that will guarantee to all those who want to invest in Brazil a standard of stability and confidence.

My government's foreign policy must incorporate the best Brazilian diplomatic calling. The contribution to peace and justice will be permanent. The struggle for development will at all times guide the Republic's foreign action.

In this regard, I point out my personal satisfaction—as a governor and as a man keeping abreast of the transformations of international order—for having contributed, on a modest scale during my recent trip abroad, to a good dialogue between the United States and the Soviet Union. Detente is one of the main processes of the new international order, and my government's permanent guideline will be to work to reach an irrevocable stage in bulding peace.

For Brazil, the great immediate concern is Latin America, with its economic epicenter located in the southern cone. The tradition of friendship and efforts for regional peace, cooperation, and dialogue will be reinforced, and I intend to systematically strengthen the growing importance of the Latin American integration process during my tenure. I believe that integration is a mandatory step for the modernization of our economies and, therefore, a precondition for Latin America to be able to join the current actors in the changes on the world scene. Latin American integration is gradually ceasing to be a dream and becoming both a concrete and fruitful reality. The economic and social development of the entire region must bring even closer our fraternal peoples, strengthening the democratic system chosen by them.

In our bilateral relations with the United States, I intend to encourage dialogue and understanding. Recognition of each country's specific characteristics and respect for different, even dissenting opinions, must prevail in the relations between two coexisting democracies. I am sure the differences of interest and opinion, which naturally exist in relations as broad as ours, will be constructively addressed for our mutual benefit.

Brazil sincerely and strongly wishes that our relations with the United States be positive, as is fitting for longtime partners who share past and present ties. Our dialogue should be marked by agreements, not by disagreements.

I will continue to urge the leaders of European countries to recognize Latin America as that part of the underdeveloped world where the roots themselves are also European. I am confident that the European Community unification scheduled for 1992 will not have an exclusive profile. For our part, as I told several European leaders during my trip as president-elect, we will try to explore all the potentials that the new dynamics of the European Community can bring in terms of commerce, capital, and technology. I felt that Brazil's courageous and open-minded willingness was warmly welcomed in Germany, France, the United Kingdom, and Italy.

Portugal will be Brazil's main spokesman in Europe. This is something that does not need further explanation. Our existence as a nation, and as a state, derives from the historic position of our Portuguese brothers. Brazil will view Spain as our neighbors do; that is, as a bilateral partner with an important role to play in our dialogue between Latin America and Europe. [applause] I expect these two governments will help Brazil strengthen its links with the EC.

Japan will occupy a special position in our new Brazilian foreign policy. Our common ventures already tell a successful story. [applause] We have built bases that are solid enough to permit us to launch a new and more ambitious stage of Brazilian-Japanese cooperation in the areas of investments, technology, trade, and political dialogue.

The sudden, unexpected, and positive political evolution of East Europe—something we applaud with democratic honesty—represents another factor outlining the need for Brazil's more competitive participation in the world economy. The country has a complete and integrated industrial base. We can face the opening of our economy without much concern. [applause]

My government will pay increasing attention to East European transformation. The Foreign Ministry will receive specific instructions to examine and interpret the issues coming from that area. This instruction is not only justified because we are entering a new era of world democracy, but also because the process will have important consequences in international relations. I hope these changes will proceed in peace and in a way the European people desire.

I will give special emphasis to modernizing our relations with the Soviet Union, both in terms of political dialogue and in terms of economic, scientific, technological, and cultural exchanges. [applause]

We have to work to make our relations with African countries more dynamic. These relations have been greatly affected in the past few years by the difficulties afflicting all developing countries. It is essential to identify concrete areas of cooperation, to give new force to this idea, as soon as possible. We will work on our identities and try to strenghten the notion of a cultural and historic community, condemning racism, particularty the apartheid regime in South Africa. [applause] We hope this system is in its final stages.

Brazil will try to take maximum advantage of the potential for dialogue and cooperation in the Portuguese-speaking community. We are linked to this community by very close ties which originated almost 500 years ago. After the period of decolonization in the 1970's Brazil and its brothers across the sea were able to show that they were not willing to limit their relations to historical rhetoric. Our countries are quite able of helping each other achieve progress and well-being.

Brazil is linked to Middle Eastern countries by friendly ties and by important common interests derived from rich and dynamic exchange. Millions of Brazilians born in those areas make us feel closer to the suffering derived from daily confrontations, the war, and violence. We sincerely hope the region will be able to achieve a firm and lasting peace. We believe there is an urgent need in the region to strictly observe the essential principle of international coexistence and the right of peoples to self-determination, the rejection of conquests by force, the observance of international law, and particularly the elements incorporated into UN Security Council resolutions.

The UN resolutions have laid the best ground rules for finding a solution to this problem which requires broad dialogue, free from discrimination, between the peoples involved. Peace will not be achieved without mutual acceptance of the rights that are legitimately outlined in the international community.

Brazil will seek to expand and increase means of understanding and cooperation with the People's Republic of China and India, two countries playing major roles in the international arena. We are fully aware of the weight carried by these states and their similar status, to that of Brazil, in terms of size, stage of development, potential, and especially of the need for translating these similarities into greater benefits for our people.

We will apply the same spirit in our relations with other developing countries in Asia and the Pacific, countries which are located in one of the most economically active areas on earth. Brazil will not fail to profit from the experiences of these countries and will try to open new fronts of cooperation with them.

I regard as decisive the actions of both economic and political multilateral organizations. Through dialogue and cooperation, they should indeed be instrumental in translating the extraordinary changes we are experiencing into stable institutions and regulations. Hence, I will devote special attention to the new role of the United Nations and of the OAS, as instruments of peace and security; and to economic organizations such as GATT and the Latin American Integration Association, which seek to find new ways of coexistence among nations.

I will try to renegotiate our foreign debt with our creditor countries. Our proposal to renegotiate is based on a fundamental principle: For us, it is not a question of knowing how much can we grow after servicing our debt, but of knowing how much we can pay after guaranteeing our economic growth at levels that are in keeping with our traditional growth rates and with our projects for promoting development and justice, which will guide our future actions. [applause]

Authoritative economic historians have regarded Brazil as the country that has had the most growth during the entire century, up until the 1980's. The terrible 1980's tragically interrupted that process of growth which, as we know, was vigorous but full of distortions and weaknesses.

We must struggle to reestablish and to improve our growth rates in the 1990's by making the necessary options, many of which will be extremely painful in the short term, to unblock the economic resources in our country. One of the main obstacles in our way is undoubtedly the servicing of our foreign debt at current levels. Within the framework of the principle I described earlier, I will be willing to hold open, sincere negotiations with our creditors. I do not want confrontations. I do not want to impose formulas. Yet, I will not accept contracts establishing unilateral solutions. [applause]

To negotiate means to accept a diversity of interests and to acknowledge the existence of a higher interest; that is, the finding of a mutual agreement. There are clear prospects for bringing positions closer together. I am sure that the Brazilian effort to balance its public finances and to modernize its economy will be matched with a positive attitude in the international financial community.

There is only one watchword for my government on international issues: Brazil will not stand for being left behind in a changing world. The only path that will serve our national interests is that of our gradual, steady, full integration into the economic process. This is a reality observed in most developed countries. Our country is truly capable of achieving this goal. [applause]

Ladies and gentlemen, as the son and grandson of politicians, I carry in my blood the notion that public life is a task and a mission; not to live by politics but to live for politics is a noble way of serving the community. This is the motto by which I have devoted my public life, inspired by my forefathers and sharing the values of my generation. This is also the call I am making to our political class and its highest assembly, the National Congress.

In Brazil, as we know, there are two types of elite groups. There are the responsible, modern, and creative elite groups which have become legitimized through their efficiency and qualifications. And there are the anachronistic and backward elite groups which do not hesitate to display fake nationalism or liberalism, while they live under a tutelar privilege, defending the purest individualistic interests. [applause]

Against the unwholesome selfishness of these elite groups I am submitting my modernization project for

Brazil. It has been with that same intention that I made a call to the working classes for a responsible government. My grandfather, Lindolfo Collor, as founder and first head of the Labor Ministry, was the author of the first social-rights bill in Brazil.

It is now up to me to extend to the wage earners, to the workers, the invitation for government-level political participation. I know that, on adopting this stand, I have received very lively support of the society, and particularly, of the Brazilian youth, who are emotionally moved by our efforts towards the country's social integration.

There you have, Messrs. Congressmen, in general terms, my national reconstruction project. I sincerely believe that it includes a firm answer from my generation to the challenges of modern Brazil.

The National Congress will receive, beginning tomorrow, 16 March 1990, the first specific proposals, bringing to life that goal and that strategy for a modern Brazil, for state reform, and for the recreation of the bases for our economic and social development. Each of these proposals, I am sure, will receive all the necesssary attention and support here, because you well know that I am presenting them with the endorsement of the ballot boxes, after an important electoral victory, the result of the people's choice for our government program and our program for renewal.

The discourse on modernization has never been absent from among us. What has been missing, most frequently—at state level—is the consistent practice of that discourse. My government intends to eliminate the gap between that modernizing discourse and practice. [applause] With this objective in mind I am submitting, for the sovereign consideration of the members of the National Congress, my government program.

On doing so, I turn my thoughts to our flag, symbol of the fatherland. [applause] In that flag we see the profile of our territory, the natural resources, the multiple regions and the appreciation of the Brazilian people for progress and peace.

My commitment as president of the Republic is to conduct the best possible government for this nation, a government capable of raising Brazil to a level equal to the value of its people, and to the level it deserves in its relations with other nations.

My gratitude to my dear Alagoas. May God help us in this difficult task of governing this great nation. Thank you very much. [applause]

Address From Planalto Palace

PY1503222790 Rio de Janeiro Rede Globo Television in Portuguese 1448 GMT 15 Mar 90

[Address to the nation by President Fernando Collor de Mello from Planalto Palace in Brasilia—live]

[Text] My friendly Brazilian people:

The democratic transition has been completed. The president of the Republic, who was directly elected by the majority of the Brazilian people, has just been installed. We are all committed to our democracy that has been achieved through so much effort. We are committed to social justice; we are committed to development, to liberty, and to the progress that will prevail in this country as of now, this month of March.

As I receive this presidential sash, which symbolizes the leadership of the state and the government of the Federative Republic of Brazil, I want to focus my thoughts and my concerns on the immense majority of Brazilians to whom I owe this victory. I now think of the have-nots, the barefooted ones, those who desire social justice and to be able to live in this country with dignity.

After a fiery fight that involved the entire country, we have achieved this day. Our passions were freed, our freedom of speech guaranteed by the Constitution, the democratic process ensured by the lively forces of the Brazilian society. We are now here to fulfill a mission, to occupy a position that is not the possession of one single person who is endowed with position of president of the Republic. This position is not the possession of a political party but of the entire country. Brazil now wants to unite and overcome its anguishing and tragic struggle as played out in the everyday lives of millions of Brazilians.

Before the altar of my convictions, I now want to swear to you that, together with the National Congress, with the judicial branch and respecting the harmony and independence of the three branches of government, side by side with the Brazilian people, with the organized civilian society, we will—I assure you, my people—reconstruct our nation and reestablish our confidence in its real destiny.

At this moment, I also focus my thoughts on my beloved Alagoas State, my home Northeastern Region, all corners of this country—from its northern borders to its southern borders. I think of those who suffer the difficulties of having to live everyday life with a low salary, without education or medical assistance, of those who have even lost their hopes. I focus my eyes and my concern on you and your difficulties. I pledge my health and even my life, if it may prove necessary, to strict compliance with our government program.

May the Lord help the president of the Republic. May the Lord help his ministers. May the Lord help the Brazilian people and make them find—once and for all—the path that leads to economic growth and social justice.

Thank you, my people, until we meet again very soon.

Spain's Gonzalez Meets With Castro in Brasilia

LD1503084890 Madrid Domestic Service in Spanish 0800 GMT 15 Mar 90

[Excerpts] The prime minister is already in Brazil, the fifth and last leg on his tour of Latin America. Felipe Gonzalez, who today will attend the swearing-in of the new Brazilian president, Fernando Collor de Melo, has already held a short four-minute meeting with the Cuban leader, Fidel Castro. Javier Arenas, our special correspondent, reports from Brasilia:

[Arenas] [Passage omitted] Fidel Castro and Felipe Gonzalez, although not scheduled but not ruled out, could meet again today. Yesterday they met for four minutes but without comment to the press. Fidel Castro had told Brazilian television upon his arrival that there is no reason to talk about alternatives in his country. The situation is not, and should not, be the same as in other countries, such as those of East Europe.

Gonzalez, Perez Try To Convince Castro To Adapt

LD1503213590 Madrid Domestic Service in Spanish 1900 GMT 15 Mar 90

[Passages between quotation marks recorded]

[Text] [Announcer] In Brasilia this afternoon Felipe Gonzalez sat down and had a one-and-a-half-hour meeting with Fidel Castro that was attended by Venezuelan President Carlos Andres Perez. The meeting was held in an attempt to persuade Castro that the Cuba of the year 2000 cannot be based on the strategies of Numantine resistance [reference to the pre-Roman and Roman Spanish town of Numancia, famous for its defense against the Romans; its citizens burned it before surrendering to the Romans]. A report on this from our special correspondent in Brasilia, Javier Arenas:

[Arenas] For almost an hour and a half Fidel Castro listened to leaders of the Socialist International—Felipe Gonzalez and Carlos Andres Perez—telling him of their desire that Cuba not become a Numancia in the face of the current tide of democratization. This was the key idea:

[Gonzalez] "Cuba's strategic plan for the nineties, for the year 2000, is what concerns me from the point of view of political leaders. What is Cuba's strategy toward its place in the world during the coming decade? Of course, it should not be just a Numancia-like strategy."

[Arenas] It was a three-sided conversation which seems to have had two basic facets: Those who talked and he who listened. Carlos Andres Perez and Felipe Gonzalez had their own unwritten script:

[Gonzalez] "We tried to tell Fidel Castro what we think about the international situation, about the Latin American situation, and about our wish for Cuba, with its differentiated characteristics, to join the great Latin American tide of opening up, reform, and potential future development; this, in short, was the overall message."

[Arenas] After he had listened, the task was to ascertain Castro's reply, whether he accepts a possible change of course, or whether Cuba's immediate reincorporation into the Organization of American States would be possible:

[Gonzalez] "I do not have that impression, but I cannot interpret what the strategy is going to be in Cuba over the next few years. I cannot interpret this and I say this honestly because, among other things, the only thing I am going to say, that it is not my place to say, is that Fidel said he was grateful and that we have spoken with clarity and that he will consult his staff and think about what we said."

[Arenas] The Fidel Castro-Felipe Gonzalez-Carlos Andres Perez dialogue was not blunt or pressuring, according to Felipe Gonzalez, who added that they did, however, discuss the real, tough, issues with complete freedom.

Further on Meeting

PY1503202890 Madrid EFE in Spanish 1906 GMT 15 Mar 90

[Text] Brasilia, 15 Mar (EFE)—Today, following a meeting with Cuban President Fidel Castro, Spanish Prime Minister Felipe Gonzalez said that future Cuban strategy cannot be based on resistance.

Gonzalez met with Castro at the Spanish Embassy in Brasilia for more than one and a quarter hours. Venezuelan President Carlos Andres Perez was also present.

After the meeting Gonzalez held a news conference in which he expressed his hope, and that of President Perez, that Cuba will join the wave of Latin American democracy, and bring with it its own unique characteristics.

"This is the core of the message," Gonzalez stressed but refused to comment any further.

According to Gonzalez, Castro thanked him and Perez for the straight talk adding that he will consider everything that was said during the meeting.

Argentina's Menem on Economic Program, Trade

PY1503191290 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2350 GMT 14 Mar 90

[Excerpt] Brasilia, 14 Mar (NA)—President Carlos Menem has suggested that his Brazilian counterpart,

Fernando Collor de Mello, should set in motion an economic program similar to that implemented in Argentina because, he said, "populism no longer works, not in America nor anywhere else in the world."

Menem said this upon arriving at the Brasilia international airport this afternoon to attend President-elect Fernando Collor de Mello's inauguration. Dignitaries from 18 European and Latin American countries will also attend the ceremonies.

Menem was accompanied by Foreign Minister Domingo Cavallo and a small entourage. He was welcomed at 1615 (local time) by officials of the Brazilian Foreign Ministry and of the Argentine Embassy in Brasilia.

Menem said: "One should act seriously, adopting humanized capitalism in the service of the economy." He added: "the economy should be based on the work and undertakings and on the distribution of wealth with a true sense of social justice. There is no alternative for Argentina, for Brazil, or for the rest of the world."

Menem expressed his support for the integration of the countries of the River Plate Basin. He stressed "the need to strengthen this process with which to face the future."

Asked about trade relations between Argentina and Brazil, Menen said that this process "is very similar. We are trying to balance this situation so that it will benefit both countries." [passage omitted]

Cuban Delegation Seeks Castro-Menem Meeting

PY1503224490 Buenos Aires TELAM in Spanish 2135 GMT 15 Mar 90

[Text] Brasilia, 15 Mar (TELAM)—Argentine presidential spokesman Humberto Toledo today reported that Argentine President Carlos Menem and the head of the Cuban Government Fidel Castro may meet in Brasilia

Toledo explained that members of the Cuban delegation have asked their Argentine counterparts to "consider the possibility of arranging this meeting." As a result of these overtures "the meeting may take place."

However, the date, time, and place of the meeting have not yet been set according to sources of the Argentine delegation. These sources added that "talks are still going on."

Cuba's Castro Conducts Interview on National TV

PY1603032090 Rio de Janeiro Rede Globo Television in Portuguese 0323 GMT 15 Mar 90

["Exclusive" interview with Cuban President Fidel Castro by Enrique Amorim and Luis Garcia on 14 March; place unknown; questions in Portuguese with Castro answering in Spanish with superimposed Portuguese translation—recorded]

[Text] [Amorim] After all that is happening in the East European countries and the Soviet Union, and recently in Lithuania, do you think that communism still has a future?

[Castro] It would not be quite correct to speak of communism as such because we have always considered communism to be an earlier stage [as heard]. It would be more correct to speak of socialism. I am deeply convinced—I have this certainty based on 30 years of working in our country—that there is no better solution, or a better path for Cuba than the one on which we now are: the path of socialism. Whether socialism will be the system of the future is something that will be decided by each person as departed from their own experience.

[Amorim] You have said that Cuba is not the Soviet Union and that Cuba does not need a perestroyka. But do you not think that the economic problems that moved the Soviet Union to launch a perestroyka might force Cuba to launch its own perestroyka?

[Castro] Cuba is not the Soviet Union. Ours are two very different countries, with different origins and idiosyncrasies. We have made mistakes during our process of establishing socialism in Cuba, but we have also accomplished a great many things. These mistakes were caused partly by our desire to copy some things from other socialist countries.

Perestroyka might be the answer to Soviet problems and the conclusion they might arrive at in their own particular situation.

Our rectification program stems from our convictions and our own analysis. You mentioned possible problems in the future. We will not solve any problems by applying other countries' prescriptions in Cuba. We have considered all the possible problems that might arise as a consequence of changes in East Europe and the Soviet Union. Our economic relations with the Soviet Union are quite good. We do not have any problems there. The Soviets, despite their own difficulties, are making every effort to fulfill their commitments to our country.

We have already planned what we will do in our country, with the economy, if the Soviets face real difficulties. Our planning is based essentially on the concept of resisting and overcoming any difficulty that might arise.

[Garcia] Independent of whether or not the Soviet Union is fulfilling its commitments to Cuba, it is certainly evident that there is some element of tension in your relations with the Soviet Union. Articles have appeared in the Soviet press attacking and criticizing Cuba, and this is something not seen before. Are you concerned about this? Do you feel that because of the ideological differences now apparent, you might face a cooling of relations, or something worse?

[Castro] I would not say there are any ideological differences since we share the same objectives. I would say we

follow different paths and different procedures in response to different problems and different sitautions.

If a Soviet publication criticizes Cuba—something we did not have before —this criticism must be analyzed within the context of what is happening in the Soviet Union today. There are a great number of opinions. I would say there is much more criticism of the Soviet Union than of Cuba.

It is not strange if someone wants to change the history of his own country. They can also have a particular opinion of Cuba, but the relations between our two countries do not have to change.

We were criticized everyday in the past because they said we imitated the Soviet Union. They also said we were a satellite. Today we are criticized because we do not do things as the Soviets do. And I ask: When will we have the right to do things exactly as we believe they should be done?

[Amorim] How do you evaluate Secretary Gorbachev's role in the recent political crisis that provoked the collapse of communist regimes in East Europe? What about the Soviet pressure on Nicaragua to hold elections?

[Castro] What happened in the Soviet Union has obviously influenced events in East Europe. I believe they knew exactly what was going to happen in East Europe when they worked out the programs of change in the Soviet Union. There was an influence, but each country followed its own path, according to its own process, its force, its relations with the people. They were also other factors showing they made great mistakes in these countries.

Regarding Nicaragua I can testify—because I maintain very good relations with Nicaraguans, and always had very good contacts and exchange with the Soviets—that the Soviets played absolutely no role in the Nicaraguan elections. They never exerted any pressure whatsoever. You can ask [Venezuelan President] Carlos Andres Perez or other Latin American leaders, with whom I spoke in Ecuador, Mexico and Caracas. The Sandinists discussed this issues in a meeting with various Central American leaders including Carlos Andres and others. Daniel Ortega was there, of course, but the Sandinists already had an election in 1983 or 1984. They were planning future elections and exchanging opinions with other Latin American leaders. When Carlos Andres took over in Venezuela, Daniel was discussing the holding of municipal and other elections at the end of the year. He decided to hold a single election because of the expense. I witnessed all this. The Soviets did not influence the process at all.

[Garcia] Talking about the future, what chances do you see for rapprochement between Havana and the United States, and the OAS member countries? What do you think about an integration proposal, something similar to the Alliance for Progress, that may include Cuba or a new type of rapprochement at a hemispheric level?

[Castro] People talk about Cuba's isolation. We were much more isolated in 1965. Nowadays we have strong relations with the Third World, with Africa and Asia, which we did not have 20 years ago. I do not see why we should talk about isolation due to problems affecting East European countries, and the Soviet Union. As for a new Alliance for Progress, if the United States were bright enough, they would have thought about it. The Alliance for Progress was created after the Cuban Revolution. They created a policy for Latin America. Right now their mind is focused on Europe and they have forgotten about Latin America. The chances of a new Alliance for Progress are very slim and even slimmer that they may include Cuba at a time when, they believe, Cuba will not be able to handle the difficulties that may surface in this time of excitement and prepotency when they talk about settling accounts with Cuba. Should such an initiative arise, we are willing to continue working, as we have done so far, and to strengthen our ties with Latin America.

[Amorim] Brazil and Cuba have been victims of the manipulation of the international sugar market by rich industrialized countries. Many times these rich industrialized countries have pitted Brazil and Cuba against each other. Why do Brazil and Cuba not establish a sugar alliance?

[Castro] We are willing, and would do so with pleasure. Our countries need not compete in this field because there is a large enough sugar market in the world, and not only in the socialist world which will continue to consume sugar. The PRC is a huge market; its population grows at a rate of 100 million per year. We would be pleased to cooperate with Brazil in that field.

[Amorim] Is there any chance of another political party governing Cuba? Is there any chance of elections, such as those in Nicaragua, in Cuba?

[Castro] I am going to answer the entire question. In the first place, we would have to assess Latin America's situation as a whole. We have to face the truth. Latin America's economic and social situation is terrible, and nobody can say how bad it will get if our countries' problems or not solved soon. Therefore, we cannot talk about theories because no theory is certain. Pinochet, himself, held every, or almost every, power in Chile. There is no need for any type of elections in Cuba because we have our own sort of elections. Our elections are not similar to those in East Europe or the Soviet Union. They are quite different because they were designed by us. I think it would take too long to explain our process but I think we could hold a debate to see whether our system, or any other, is more democratic.

[Amorim] Mr. President, we have to end our interview but I would like to ask you a last question. Why can we not buy Cuban cigars in Brazil. Is your bureaucracy or our bureaucracy to blame for this?

[Castro] No, no. Both may be blamed for it.

Peru's Garcia Comments on Foreign Debt Problem

PY1503173290 Lima Television Peruana in Spanish 0000 GMT 15 Mar 90

[Excerpts] President Alan Garcia stated today in Brasilia that creditors must drastically reduce Latin American debt because it is unjust and forces the impoverished peoples to impose solutions. He added that the Brady Plan, which proposes a 10-percent reduction of the foreign debt, is not a solution, because in addition to offering unfavorable foreign trade terms with the powerful nations, the interest on the foreign debt does not let us grow.

The Peruvian President arrived this afternoon in Brasilia to participate in the inauguration of President-elect Fernando Collor. [passage omitted]

President Alan Garcia made these remarks to international reporters accredited to the inauguration, an important act of democratic reaffirmation.

[Begin recording] [Garcia] I think Paraguayan democracy is a reality. President [Rodriguez] represents the desire of the Paraguayans, and I am sure he will finish the presidential term he was elected for. I am convinced that Paraguayan democracy is an important achievement for Latin America.

[Unidentified reporter] How do you intend to pay the foreign debt?

[Garcia] I do not want to speak of the Peruvian debt, but that of Latin America. I do not believe in, quote, national problems and solutions, unquote, but in continental or Latin American problems. I reaffirm that there is no other solution to the Latin American debt but a drastic cut or reduction by the banks, and that the United States and other developed countries must apply all theories that they have promoted over the past years. So far, the Brady plan is not a reality. The meager reduction of 15 or 20 percent [as heard] of the overall debt which has increased 10 or 20 times over the past few years, is not a solution for our country.

[Reporter] Mr. President, does this mean that Latin American presidents must talk among themselves to find a positive solution with the banks, which are our creditors?

[Garcia] I believe they must talk, and if not, the people will impose solutions. Because the people become more impoverished as more debt is paid, and thus the people are entitled to rebel against this injustice. The fundamental basis of this injustice—the social disorder, and the economic imbalances prevailing—in Latin America is, first, the uneven international trade, and second, the continuous increase of foreign debt interest payments, and the absurdity of trying to honor them.

[Reporter] Is there an agreement among the presidents on [words indistinct]

[Garcia] Yes, I have been talking on this issue for five years, and I believe there is still much traditional fear regarding the international organizations and banks. But if we do not do things quickly, the people will have to impose a solution. [end recording] [passage omitted]

Chile

Naval Chief on Arrival of Soviet Fishing Fleet

PY1503210290 Santiago Domestic Service in Spanish 1000 GMT 15 Mar 90

[Text] Vice Admiral Pedro Anguita Izquierdo, the naval fleet commander, has labeled the upcoming arrival of Soviet factory ships in Valparaiso as a political problem that must be resolved by the government.

Adm. Anguita made this statement in answering questions about the arrival of the Soviet ships. An agreement concerning the ships was signed with the Soviet delegation here for the presidential inauguration. The arrival of Soviet ships are making an impact in Valparaiso because the 60 Soviet ships that operate off our coasts will now be repaired in Valparaiso. It has been announced that the first two ships will arrive this weekend.

Regarding diplomatic relations between the two countries, he said this is not a naval problem but a political one that must be resolved by the government. He added that the national Navy should be involved in this case.

Mexican President Salinas To Visit 22 March

PY1503212490 Santiago Radio Chilena Network in Spanish 1600 GMT 15 Mar 90

[Text] The Chilean Foreign Ministry confirmed today that Mexican President Carlos Salinas de Gortari will visit Chile 22 - 24 March 1990.

The report indicates that diplomatic and consular relations between the two countries will be resumed on this occasion. The Foreign Ministry added that the visit follows an invitation by President Patricio Aylwin. A similar announcement was made today by the Mexican Foreign Ministry, which added that the resumption of relations is the result of Aylwin's victory in the general elections. Salinas and Aylwin held a telephone conversation on 15 December 1989, when Salinas congratulated Aylwin for his electoral victory. The two presidents then agreed on the need for a prompt resumption of relations. Mexico broke diplomatic relations with Chile on 26 November 1974, during the administration of Mexican President Luis Echeverria.

*** Goals of Buchi's New Institute Outlined**

90ET0120C Santiago EL MERCURIO in Spanish Feb 90 p 14f

[Interview with Cristian Larroulet by Andres Benitez P.: "Buchi's Institute Is Ready"; first five paragraphs are introduction]

[Text] Now that Chile has made official, as of last 14 December, its final step in the return to democracy, that word seems to have been abandoned as a priority objective. It has already been achieved. This marks the beginning of new challenges, however, especially in terms of the style that will characterize future governments.

Thus, the change from "Democracy and Progress" to "Liberty and Development," although it does not sound very imaginative, appears to be consistent with what Hernan Buchi has been advocating over the last few years. And as Cristian Larroulet, now settled in at the institute's headquarters, explains it, the name is a clear indication of the foundation on which the institution rests.

"The center will seek to defend and influence public decisions, emphasizing a society where maximum personal freedom will be allowed within a democratic context, based on the belief, now confirmed by history, that this is the principal mechanism for creativity and progress in countries."

Preparations for attaining this objective are moving rapidly. The headquarters, located on Calle Triana in the Providencia district, is a three-story house. Aside from its comfort, the house immediately brings to mind Buchi's preference for climbing stairs. It came as no surprise, therefore, that his office is on the third floor.

"Liberty and Development will be directed by a council, with Hernan Buchi as chairman. This group, consisting of about eight people, will be made up of prominent public figures known both for their academic and intellectual prestige and for their participation in the political, social, and economic processes that the country has undergone in the last few years," says Cristian Larroulet.

[EL MERCURIO] Are there any names for this council?

[Larroulet] Yes, but I would prefer not to reveal them for the time being.

[EL MERCURIO] Are you considering asking former ministers to be on it?

[Larroulet] They will all be people who have distinguished themselves in the various areas of national affairs; some of them are former ministers of state.

[EL MERCURIO] And what about the team of researchers?

[Larroulet] It will comprise about eight people whose basic characteristics are, in addition to academic excellence, extensive practical experience in applied policy in the different areas of national affairs.

[EL MERCURIO] In this regard, do you plan to differ from traditional research centers where there are many academics but few people with applied policy experience?

[Larroulet] Indeed, all the participants are people who not only have worked in the sectors, but also have a thorough knowledge of legislation and the regulation of these sectors.

[EL MERCURIO] How would you define the specific objective of the institute?

[Larroulet] To act in defense of ideas based on a society where personal freedom prevails, seeking solutions to the public problems that affect the country.

[EL MERCURIO] Which means being abreast of the latest developments.

[Larroulet] Exactly. The idea of the center is to have a great deal of information on the status of the various sectors, and rather than being an academic institution that is out of touch with current events, we will generate precise and specific solutions for the problems that are being confronted at every moment. That is why our main effort will focus on placing our information and knowledge at the service of the members of Congress and also of other intermediate organizations that exist in society and are interested in public affairs.

[EL MERCURIO] How do you think this work will proceed?

[Larroulet] In addition to Liberty and Development's permanent team, we will establish sectorial boards that will be made up of about 100 distinguished professionals in the different areas of national affairs.

[EL MERCURIO] Who will participate on these boards?

[Larroulet] The people who know the most about the various issues. Former ministers, leading authorities, young professionals who are working on the issues, trade association leaders, and also like-minded deputies and senators who serve on the respective committees.

We think that the interaction of people who are legislating on a given issue with people who have studied the matter and people who are working in that area, will allow them to obtain detailed knowledge of what is happening in each sector, which will improve their legislative capacity and, more importantly, generate new ideas.

[EL MERCURIO] Will you focus primarily on the national scene, particularly on what is being debated in Congress?

[Larroulet] We will concentrate on all the regulations that govern a society, and that includes the legislation that is before Congress and the discussions in which the executive branch and other decentralized organizations are involved.

[EL MERCURIO] Have you given any thought to the possibility of providing consultation to other countries?

[Larroulet] We have not ruled out the possibility of capitalizing on the know-how of the people who will be at the institute, beginning with Hernan Buchi, to act as consultants in other countries. Nevertheless, the institution's central objective is to work to ensure the appropriate process for making public decisions in Chile.

[EL MERCURIO] Where does the institute's financing come from?

[Larroulet] Basically from contributions by people working with us. That is how this type of center is financed everywhere.

[EL MERCURIO] Will you also consider receiving contributions from foreign entities?

[Larroulet] Yes.

[EL MERCURIO] It is said that someone from the institute is now in the United States.

[Larroulet] Someone went to study the experience of institutions similar to ours. We must recall in this regard that in all democratic countries, there are countless organizations of this sort. There are many in the United States, but also in neighboring countries, such as Argentina.

[EL MERCURIO] But there are many research centers in Chile, also....

[Larroulet] There are more than 40 research centers related to socialist thought. As for the promotion of a free social order, on the other hand, there is just the Center for Public Studies, which has made a great effort in this regard, but in a different field than what Liberty and Development will cover. We will complement each other, as we will focus on more immediate issues.

[EL MERCURIO] Some rightist parties have also announced the formation of research centers.

[Larroulet] The parties have to have data-gathering institutions within their own structures to serve as training centers for their future leaders, and to make proposals to their political committees.

[EL MERCURIO] And doesn't that contradict what Liberty and Democracy is about?

[Larroulet] Not at all, and this is the way we have looked at it with political leaders and members of Congress. In fact, the international experience in countries with more developed democracies shows that independent institutions whose sole purpose is to produce ideas yield better results. In this regard, the parties will have all of our data and research available to them. We are at their service.

Adjustment

[EL MERCURIO] Speaking of ideas, what issues are you working on right now?

[Larroulet] We have undertaken to study those matters that are the subject of public discussion today. Among them are the macroeconomic situation, tax issues, and in the social sphere, the proposed reforms of labor legislation.

[EL MERCURIO] As for the adjustment, the technical experts of the new government have expressed great concern about imbalances in the economy that threaten growth in the long run. Do you share this concern?

[Larroulet] The Chilean economy is healthy. Savings and investment are growing; the balance of payments and the fiscal sector are in a state of equilibrium; and the economy as a whole is growing, which is reflected in better employment opportunities for everyone.

[EL MERCURIO] But there is also concern about the high rate of GDP growth and the resurgence of inflation that has been seen in recent months.

[Larroulet] It is clear that recently there has been a growth in spending and prices that is not compatible with a long-term trajectory for the economy. In response to this, the authorities have taken measures that are beginning to show results gradually.

[EL MERCURIO] Could the latest measures have overadjusted the economy?

[Larroulet] It is important to bear in mind that adjustments are not immediate, and therefore it is difficult to know how much of a brake the economy needed. In any event, it is clear to me that the current interest rate policy should be reviewed in light of the results of the initial months of the year, because otherwise we run the risk of turning the adjustment into stagnation.

[EL MERCURIO] But in any case, should Chile keep growing in 1990?

[Larroulet] Of course. This year we should have a growth rate of around 5 percent.

Tax Hike

[EL MERCURIO] Does this growth projection take into account the changes the new government plans to introduce in areas such as taxes?

[Larroulet] That is exactly one of the points where there are certain macroeconomic concerns, since a tax hike such as the one being discussed will necessarily weaken the long-term growth of the economy.

[EL MERCURIO] Even if we only return to the situation that existed in 1984?

[Larroulet] The reforms of 1984 and 1988 were aimed at concentrating taxation on consumption, alleviating the tax burden on savings and investment. This was of vital importance for the growth of the GDP and of employment in the last few years. So any policy that would discourage investment and savings is disturbing.

[EL MERCURIO] Do you have any estimate of the impact the proposed hike will have on business?

[Larroulet] If you look at the cash flow of businesses after taxes, you see that the proposed changes would have a very significant impact. Thus, for example, if the "first category tax" [tax on business profits] is raised to 15 percent, businesses involved in traditional agriculture, such as wheat, will see their cash flow reduced by 18 percent. Those involved in export agriculture would see a drop of 32 percent; fishing and forestry businesses would suffer a 12-percent decline. So the impact is great, and there is one very serious element: The sectors that are the most affected are those that have played a key role in the diversification of exports and the growth of private investment.

[EL MERCURIO] But it has been said that Chile has very low tax rates compared to other countries.

[Larroulet] Wrong. Chile has quite high effective tax rates. If you look at the tax burden on the GDP, including copper, in 1969 it amounted to 18.5 percent, while in 1988 it was 24.6 percent.

[EL MERCURIO] How can that be, if tax rates are lower?

[Larroulet] Mainly because the tax collection mechanism is much more efficient.

[EL MERCURIO] What happens if you compare that tax burden to the GDPs of other countries?

[Larroulet] Chile's comes out very high. In Peru, for example, this figure was 11 percent in 1988; in Brazil, it was 16.6 percent; in Mexico, 16.5 percent; and in Uruguay, 23.2 percent. Even if you look beyond Latin America, you find that the pattern holds. In Korea it is 16.6 percent, nearly 10 points lower than in Chile.

Budget

[EL MERCURIO] One issue that has been rather controversial these days is that of public finance, especially the budget. Members of the new government have expressed their concern over the lack of resources.

[Larroulet] Our estimates show that the public sector has a favorable budgetary situation. If you look at the budget for this year, you see that it is in surplus. In fact, officials are considering the possibility of making a special payment on a debt that the Treasury owes the Central Bank of approximately US $400 million, which may be postponed. In addition, the budget was drawn up on the assumption that copper would sell for 83 cents a pound, and today's price is much higher than that.

[EL MERCURIO] So you don't share this concern about the shortage of revenues?

[Larroulet] You must bear in mind that there are never enough resources. The important thing in economic policy is to solve problems without creating more serious problems. I think that is at the heart of today's debate.

Colombia

U.S. Troops Reportedly Intercept Cargo Ship

PA1503141390 Bogota Radio Cadena Nacional in Spanish 1213 GMT 15 Mar 90

[Text] Bogota—U.S. troops have intercepted a Colombian-flagged ship in international waters near San Andres Island. The incident has been described as an implicit violation of national sovereignty. According to reports obtained by Radio Cadena Nacional, the Taru was carrying construction material from Barranquilla to San Andres when it was intercepted by U.S. troops, who detained the crew in the ship's mess hall and then searched the entire ship for seven hours, Captain (Mario Guete) reported.

The Colombian Foreign Ministry and the San Andres port authorities have been notified of the incident. Efforts are being made to determine the exact location where the Colombian cargo ship was detained so it can be determined whether or not Colombian soveriegnty was violated.

Reports of U.S. troops fighting drug trafficking in the Pacific Ocean and the Caribbean have been circulating in recent hours, and efforts are being made to determine if the operation against the Taru is part of such an operation.

The crew of the Colombian cargo ship is in good condition, it was reported.

ELN Threatens To Hinder Presidential Elections

PA1603053990 Madrid EFE in Spanish 0235 GMT 16 Mar 90

[Text] Bogota, 15 Mar (EFE)—The Marxist Army of National Liberation (ELN) today threatened to hinder, through every means possible, presidential elections scheduled for 27 May.

The threat was made in a communique the ELN left in EFE's mailbox. According to the communqiue, the ELN will increase political and military actions to prevent the elections that will choose a successor for President Virgilio Barco.

In an operation for national dignity, ELN leaders threatened to continue increasing their war against all the interests of imperialism and its intervention in the national sovereignty of the Latin America people.

In February, the ELN declared that all U.S. citizens on Colombian territory were considered military targets and that U.S. Ambassador to Colombia Thomas McNamara was their primary target.

Today the ELN noted that it rejects the policies of Colombian presidential candidates—the social-conservative Rodrigo Lloreda and the liberal Cesar Gaviria—because they represent continuity in the government.

The ELN, an organization headed by former Spanish priest Manuel Perez, declared a unilateral truce for the 11 March legislative and municipal elections. That particular truce began on 10 March and ended on 12 March.

The communique also referred to respecting the people's will expressed on 11 March concerning a petition for constitutional reform; they added that they will work to draft a new constitution with their own ideas.

The ELN, the only group among six Colombian guerrilla movements that has repeatedly refused to hold peace talks with the Barco government, disclosed that there are national and international reporters in their camps hoping to cover the war-like situation that Colombia is experiencing and present a report on the campaign that the ELN is waging.

Paraguay

Rodriquez Meets Castro, Nicaragua's Ortega

PY1503230890 Asuncion ULTIMA HORA in Spanish 15 Mar 90 p 13

[Text] Brasilia—During a conversation with the daughters of President Andres Rodriguez last night, Cuban President Fidel Castro Ruz asked about the situation of the environment in our country and about Paraguayan Government ecological programs.

The meeting took place at Los Tortos farm during a barbecue hosted by former Brazilian President Jose Sarney in honor of the heads of state attending Collor's inauguration. During the dinner, Fidel Castro and Andres Rodriguez greeted each other and shook hands.

Castro talked only about the ecology and the environment, avoiding any political issue affecting either his country or Latin America.

Nicaraguan President Daniel Ortega was also present at the barbecue, and he also greeted Rodriguez. This was the second time Ortega and Rodriguez have met, having met yesterday afternoon at the Planalto Palace.

Uruguay

Spain's Gonzalez Reaffirms Support for Region

PY1503192290 Madrid EFE in Spanish 2024 GMT 14 Mar 90

[Text] Montevideo 14 Mar (EFE)—Today in Uruguay, Spanish Prime Minister Felipe Gonzalez reaffirmed that "it is very important for Spain to maintain its solidarity and friendly links with Latin American countries."

Gonzalez, who arrived in Montevideo today, came from Buenos Aires to meet with Uruguayan President Luis Alberto Lacalle, who was inaugurated on 1 March.

Gonzalez and Lacalle left for Brasilia on board a Spanish Air Force plane. On 15 March they will attend Brazilian President Fernando Collor de Mello's inauguration.

During his brief visit to Montevideo, Gonzalez had lunch with President Lacalle at the Taranco palace, where they talked about Uruguayan-Spanish relations.

In a news conference at the Montevideo airport before departing for Brasilia, Gonzalez commented on the general situation of Latin American countries and the efforts being made by Spain to strengthen cooperation.

Gonzalez said: "We should adjust our actions to our possibilities, because one cannot promise what cannot be financed." He added that "Spain is a country that has its own problems, especially unemployment, which affects more than 2.5 million people."

Concerning projects with Spanish investments in Latin America, Gonzalez said they are being implemented satisfactorily. He ruled out the possibility that East European countries will be able to attract foreign capital in a short time.

Gonzalez said: "We know that Latin American countries are concerned about the possibility that investments will be diverted to East Europe. It is probable that those countries will need at least 10 years to show that their projects are feasible and attract massive investments," Gonzalez added.

Regarding Spanish-Uruguayan relations, Gonzalez said Spain will support the adjustment program promoted by the current Uruguayan Government, especially in the area of modernizing cold storage facilities, fishing, and renewal of forest resources.

Asked whether he is planning to meet with Cuban President Fidel Castro in Brasilia, Gonzalez said: "If I meet Castro, I will tell him that there is a trend in Latin America in support of history and that it would be unfortunate if Cuba does not join this trend."

Venezuela

National Troops To Aid in Contra Demobilization

Official Denies UN Request

PA1603014690 Caracas Venezolana de Television Canal 8 in Spanish 0000 GMT 16 Mar 90

[Text] After a Council of Ministers meeting, Acting Defense Minister Carlos Larrazabal has reported that Venezuela has not yet received a formal request from the United Nations to send Venezuelan troops to Nicaragua to oversee the demobilization the Nicaraguan contras:

[Begin recording] [Larrazabal] The UN secretary general is requesting this from the UN Security Council. Should the UN Security Council approve the proposal, it would file a request with the Venezuelan Government.

[Reporter] [Question indistinct]?

[Larrazabal] I have not yet received an official request from the president of the Republic. [end recording]

Government To Honor Request

PA1603021890 Madrid EFE in Spanish 0129 GMT 16 Mar 90

[Text] Caracas, 15 Mar (EFE)—Acting Foreign Minister Marcelo Taylhardt announced today that the Venezuelan Government will send troops to oversee the demobilization the contras (Nicaraguan resistance) if the United Nations so requests.

Informal inquiries have been made to determine if the government would be prepared to contribute to an expansion of UN forces in Central America. They have been received with interest, especially in light of efforts by Venezuelan President Carlos Andres Perez to contribute to the pacification and democratization of the region.

The UN request depends on whether the Security Council authorizes the UN Secretary General, Peruvian Javier Perez de Cuellar, to take steps to increase UN forces deployed in Central America, the acting foreign minister said.

Talhardt pointed out that this decision will assist in the transfer of power in Nicaragua, in the most peaceful way possible.

These forces would be used as a buffer force between the contras and the Sandinists to prevent confrontations, although their fundamental mission would be to accept weapons surrendered in by the rebels.

Acting Defense Minister Vice Adm. Carlos Larrazabal said today that he has not yet received an official request from the president of the Republic to form a battalion that would travel to Nicaragua if the United Nations does decide to reinforce its troops.

Troop Involvement Confirmed

PA1503191190 Madrid EFE in Spanish 1640 GMT 15 Mar 90

[Text] Caracas, 15 Mar (EFE)—Official sources confirmed in Caracas today that Venezuela will send troops to the Honduran-Nicaraguan border to help in the demobilization of the Nicaraguan contras.

Spokesmen for the Venezuelan Foreign Ministry indicated that an Army battalion of 800 men will be sent to that border to oversee the demobilization of the contras who have been active in Honduran territory.

These military forces will be a part of the UN Observer Group in Central America (ONUCA).

The ONUCA units will also include military forces from Spain, Argentina, and possibly Brazil, sources indicated.

Venezuela promised military support or the demobilization of the contras as part of the Carlos Andres Perez administration's plan to make an effective contribution to the pacification of Central America and the transition of power in Nicaragua.

Guyana

PPP Releases 'Open Letter' to Canada's Mulroney

FL1503204490 Bridgetown CANA in English 1805 GMT 15 Mar 90

[Text] Georgetown, Guyana, March 15, CANA—Guyana's opposition People's Progressive Party (PPP) on Thursday [15 March] released an "open letter" to Canadian Prime Minister Brian Mulroney urging him to use his "high office and esteemed position" to help ensure what it referred to as "the restoration of democracy in Guyana."

The open letter was released here three days before the convening, in Barbados, of a three-day meeting of the heads of government of the Commonwealth Caribbean (Caricom) and Canada. The PPP said it welcomed Mulroney's visit to the Caribbean and hoped it would be crowned with success for both Canada and the region.

It said a decade ago, the Caribbean was deemed "a circle of crisis" and since then, the crisis has deepened with Guyana contributing to the decline and being a great liability to its Caricom partners, particularly Barbados and Trinidad and Tobago.

The PPP continued: "Guyana is also a liability to Canada: a source of refugees and drugs; an unreliable trade partner; a drain on Canadian resources."

It applauded the Mulroney government for what it termed its "altruism towards Guyana and its people" but said it wished to remind the Canadian prime minister that there can be no development without democracy.

The PPP continued: "In this regard, we wish to congratulate your government for taking a principled position in South Africa, Namibia, and elsewhere."

"Regrettably, the Guyana Government seems determined to maintain authoritarian rule under what a Canadian parliamentary human rights committee had deemed an administrative dictatorship."

This was indicated in a response to President George Bush's recent message in which he had stated that he was hopeful that the impending elections "will reflect the democratic values shared by both our peoples."

In asserting that traditionally all elections in Guyana were in keeping with the principles of democracy, President Desmond Hoyte was virtually stating that there was no need for electoral reforms, about which there is a universal demand.

"And those, who like Prime Minister A.N.R. Robinson of Trinidad and Tobago, and Henry Forde of Barbados and the Guyana Human Rights Association, are calling for such reforms, are being attacked. Democracy and free and fair elections are universal values. The Guyana people cherish them no less than Canadians."

"To realise their human right to elect a government of their choice, the PPP requests you, as head-of-government of a Commonwealth country which is an upholder of the United Nations International Covenant on Civil and Political Rights and the International Covenant on Economic, Social, and Cultural Rights, to utilise your high office and esteemed position for the restoration of democracy in Guyana."